



House Journal

FOURTH REGULAR SESSION, 2007

Adopted:
December 3, 2007

2nd Day

Tuesday, August 21, 2007

The House of Representatives of the Fifteenth Northern Marianas Commonwealth Legislature convened its Second Day, Fourth Regular Session on August 21, 2007, at 10:16 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 silence was observed.

The Clerk called the roll. Fourteen members were present; Representative Martin B. Ada came in late; Representatives Edwin P. Aldan, Florencio T. Deleon Guerrero, and Ray N. Yumul were excused.

Representative Jesus SN. Lizama was appointed as Floor Leader Pro Tem by the Chair and there was no objection from the Floor.

ADOPTION OF JOURNALS

2nd Day, Seventh Special Session Journal - July 9, 2007

Floor Leader Pro Tem Lizama moved for the adoption of the Second Day, Seventh Special Session Journal; the motion was seconded and carried by voice vote.

INTRODUCTION OF BILLS

None

INTRODUCTION OF RESOLUTIONS

H. R. NO. 15-143: A House Resolution to request that the Secretary of the Department of Finance enforce the provisions under the Nonresident Workers Act regarding the issuance of business licenses to nonresidents as codified under 3 CMC § 4437(h).

Offered by: Representative Justo S. Quitugua and fourteen others

H. R. NO. 15-144: A House Resolution to request that the Secretary of the Department of Commerce enforce the provisions under the Pawnbrokers Act regarding the recording and reporting of licensees' transactions as codified under 4 CMC § 5643.

Offered by: Representative Justo S. Quitugua and fourteen others

Vice Speaker Quitugua: Mr. Speaker, if there is no objection, I request that the two resolutions I introduced are placed on today's Resolution Calendar for adoption.

There was no objection from the floor.

H. J. R. NO. 15-33: A House Joint Resolution to approve the request of the Executive Branch to hire employees certified as very critical to the delivery of essential services under Public Law 15-28 as amended by Public Law 15-71, Section 2(d)(1)(C).

Offered by: Representative Crispin M. Ogo and several others

Rep. Ogo: I would like this to be introduced by the Committee of the Whole, and if there is no objection I would like to request to place this on today's Resolution Calendar.

Rep. Torres: Objection, Mr. Speaker, to the introduction by the Committee of the Whole. I reserve the right to defer.

Speaker Babauta: So noted. When we get to the Resolution Calendar, we will clarify those objections.

H. J. R. NO. 15-34: A House Joint Resolution to approve the request of the Executive Branch to hire employees certified as very critical to the delivery of essential services under Public Law 15-28 as amended by Public Law 15-71, Section 2(d)(1)(C).

Offered by: Representative Jacinta "Cinta" M. Kaipat and several others

Rep. Kaipat: Mr. Speaker, this is for one position and if there is no objection I would like to request that this be placed on today's Resolution Calendar.

There was no objection and H. J. R. NO. 15-33 and H. J. R. NO. 15-34 was placed on the Resolution Calendar.

MESSAGES FROM THE GOVERNOR

None

SENATE COMMUNICATIONS

Speaker Babauta: I recognize the Floor Leader.

Floor Leader Pro Tem Lizama: Thank you, Mr. Speaker. Mr. Speaker, I move to accept the following communications: SEN. COMM. 15-232 reference H. B. NO. 15-252, SEN. COMM. 15-233, reference H. B. NO. 15-275, SEN. COMM. 15-234 reference S. B. NO. 15-97, SEN. COMM. 15-235 reference H. J. R. NO. 15-27, HD1, SEN. COMM. 15-236 reference S. B. NO. 15-95, SEN. COMM. 15-237 reference H. B. NO. 15-263, HS1, SEN. COMM. 15-238 reference H. B. NO. 15-244, HD1, SEN. COMM. 15-239 reference H. B. NO. 15-277, SEN. COMM. 15-240 reference H. B. NO. 15-229, HD1, SEN. COMM. 15-241 reference H. B. NO. 15-258, HS1, SEN. COMM. 15-242 reference H. L. I. NO. 15-3, HD1, SEN. COMM. 15-243 reference H. B. NO. 15-42, SEN. COMM. 15-244 reference H. B. NO. 15-192, SEN. COMM. 15-245 reference S. B. NO. 15-89, HD1.

SEN. COMM. 15-232: (8/17/07) Informing the House that the Senate overrode the Governor's veto of H. B. NO. 15-252 (CUC Security Deposit). [Will go to Governor]

SEN. COMM. 15-233: (8/17/07) Returning H. B. NO. 15-275 (Regulated Loan Act) which was passed by the Senate without amendment on July 16, 2007. [Will go to Governor]

SEN. COMM. 15-234: (8/17/07) Transmitting S. B. NO. 15-97, entitled, "To amend Section 5512 of Title 4 of the Commonwealth Code to implement the intent of Public Law 3-77, the 'Local Law Act of 1983' by clarifying the portions of the Alcohol Control Statutes which may be enacted or amended by local law; and for other purposes," which was passed by the Senate on July 15, 2007. [*Placed on the Bill Calendar*]

SEN. COMM. 15-235: (8/17/07) Informing the House that the Senate defeated adoption of H. J. R. NO. 15-27, HD1 (re. Legislature's FTEs) on July 16, 2007. [For info]

SEN. COMM. 15-236: (8/17/07) Transmitting S. B. NO. 15-95, entitled, "To amend Public Law 9-1; and for other purposes," which was passed by the Senate on August 16, 2007. [*Placed on the Bill Calendar*]

SEN. COMM. 15-237: (8/17/07) Returning H. B. NO. 15-263, HS1, (Amending Public Law 15-23 regarding renewable energy), which was passed by the Senate without amendment on August 16, 2007. [Will go to Governor]

SEN. COMM. 15-238: (8/17/07) Returning H. B. NO. 15-244, HD1 (CUC one year payment plan) which was passed by the Senate without amendment on August 16, 2007. [Will go to Governor]

SEN. COMM. 15-239: (8/17/07) Returning H. B. NO. 15-277, (Retirement-Withdraw after 15 years), which was passed by the Senate without amendment on August 16, 2007. [Will go to Governor]

SEN. COMM. 15-240: (8/17/07) Returning H. B. NO. 15-229, HD1 (Chamorro-Carolinian Language Policy Commission) which was passed by the Senate without amendment on August 16, 2007. [Will go to Governor]

SEN. COMM. 15-241: (8/17/07) Returning H. B. NO. 15-258, HS1 (Re. per diem allotments and restrictions) which was passed by the Senate without amendment on August 16, 2007. [Will go to Governor]

SEN. COMM. 15-242: (8/17/07) Returning H. L. I. NO. 15-3, HD1, "A House Legislative Initiative to amend Article XV, Section 1(c) and (e) of the Constitution of the Northern Mariana Islands," which was passed by the Senate without amendment on August 16, 2007. [Will go to CEC/Gov.]

SEN. COMM. 15-243: (8/17/07) Returning H. B. NO. 15-42, (Requiring Legislative approval of CIP and Compact Impact funds), which was passed by the Senate without amendment on August 16, 2007. [Will go to Governor]

SEN. COMM. 15-244: (8/17/07) Returning H. B. NO. 15-192 (Restoring the prioritization of land compensation claims), which was passed by the Senate with amendments on August 16, 2007, in the form attached as **H. B. NO. 15-192, SD1**. [*For action on Senate amendments*]

SEN. COMM. 15-245: (8/19/07) Informing the House that the Senate accepted the Senate amendments to S. B. NO. 15-89, HD1 (Job Protection for Emergency Volunteers) on August 16, 2007. [For info]

The motion was seconded and carried by voice vote.

Speaker Babauta: You may continue, Mr. Floor Leader.

Floor Leader Pro Tem Lizama: Mr. Speaker, I move to suspend pertinent Rules to place on the Bill Calendar SEN. COMM. 15-234 in reference to S. B. NO. 15-97 and SEN. COMM. 15-236 in reference to S. B. NO. 15-95.

The motion was seconded and the motion to place S. B. NO. 15-97 and S. B. NO. 15-95 on the Bill Calendar was carried by voice vote.

Speaker Babauta: I recognize the Floor Leader.

Floor Leader Pro Tem Lizama: Mr. Speaker, I move to suspend pertinent Rules for the passage of H. B. NO. 15-192, as amended in reference to SEN. COMM. 15-244.

The motion was seconded.

H. B. NO. 15-192, SD1: TO ~~AMEND SECTION 4(E) OF PUBLIC LAW 13-17,~~ **REPEAL AND REENACT 2 CMC §4743(F), AS AMENDED,** TO RESTORE THE PRIORITIZATION OF LAND COMPENSATION CLAIMS; AND FOR OTHER PURPOSES. (See SEN. COMM. 15-244)

Speaker Babauta: The motion on the floor is to accept the Senate amendments to H. B. NO. 15-192 under SEN. COMM. 15-244. Any second?

The motion was seconded

Speaker Babauta: Discussion on the amendment? Ready? Clerk, call the roll.

There was no discussion. The Clerk called the roll on the motion to accept the Senate amendment to H. B. NO. 15-192, SD1:

Rep. Martin B. Ada	excused (absent)
Rep. Edwin P. Aldan	excused (absent)
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	excused (absent)
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	yes
Rep. Ramon A. Tebuteb	yes

Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	excused (absent)
Rep. Oscar M. Babauta	yes

Speaker Babauta: By a vote of 14 members voting “yes,” H. B. NO. 15-192 with Senate amendments in the form of Senate Draft 1 hereby passes the House on Final Reading. We now go down to Resolution Calendar.

HOUSE COMMUNICATIONS

HSE. COMM. 15-43: Rep. Torres’ privilege speech with regards to DPS Commissioner Rebecca Warfield.

There was no discussion on this Item.

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

None

OTHER COMMUNICATIONS

None

REPORTS OF STANDING COMMITTEES

NONE

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

None

UNFINISHED BUSINESS

None

RESOLUTION CALENDAR

Speaker Babauta: I recognize the Floor Leader.

Floor Leader Pro Tem Lizama: Mr. Speaker, I move for the adoption of H. R. NO. 15-143 and H. R. NO. 15-144.

Speaker Babauta: To clarify the motion, it would be to suspend pertinent House Rules to place those resolutions as well as the two joint resolutions. You may continue.

Floor Leader Pro Tem Lizama: Thank you, Mr. Speaker. I move to suspend pertinent House Rules to place H. R. NO. 15-143 and H. R. NO. 15-144 on today's Resolution Calendar.

Speaker Babauta: Do you want to make one motion and include H. J. R. NO. 14-33 and H. J. R. NO. 15-34? There are two joint resolutions introduced this morning, so please restate your motion.

Floor Leader Pro Tem Lizama: Thank you, Mr. Speaker. I move to suspend pertinent Rules to place H. R. NO. 15-143, H. R. NO. 15-144, H. J. R. NO. 15-33 and H. J. R. NO. 15-34 on today's Resolution Calendar for adoption.

The motion was seconded and carried by voice vote.

Speaker Babauta: You may proceed with the adoption motion.

Floor Leader Pro Tem Lizama: Thank you, Mr. Speaker. I move for the adoption of H. J. R. NO. 15-33 and H. J. R. NO. 15-34.

Rep. Tenorio: Clarification, Mr. Speaker, are we done with H. R. NO. 15-143 and H. R. NO. 15-144?

Speaker Babauta: Not yet.

Rep. Tenorio: ...and we are adopting the House Joint Resolutions already?

Speaker Babauta: For the purpose of discussion, yes.

Rep. Tenorio: Are we coming back to H. R. NO. 15-143 and H. R. NO. 15-144?

Speaker Babauta: Yes.

Rep. Tenorio: Thank you.

Speaker Babauta: Any second?

The motion to adopt H. J. R. NO. 15-33 and H. J. R. NO. 15-34 was seconded.

H. J. R. No. 15-33: A HOUSE JOINT RESOLUTION TO APPROVE THE REQUEST OF THE EXECUTIVE BRANCH TO HIRE EMPLOYEES CERTIFIED AS VERY CRITICAL TO THE DELIVERY OF ESSENTIAL SERVICES UNDER PUBLIC LAW 15-28 AS AMENDED BY PUBLIC LAW 15-71, SECTION 2(D)(1)(C).

H. J. R. No. 15-34: A HOUSE JOINT RESOLUTION TO APPROVE THE REQUEST OF THE EXECUTIVE BRANCH TO HIRE EMPLOYEES CERTIFIED AS VERY CRITICAL TO THE DELIVERY OF ESSENTIAL SERVICES UNDER PUBLIC LAW 15-28 AS AMENDED BY PUBLIC LAW 15-71, SECTION 2(D)(1)(C).

Speaker Babauta: Discussion on any of the House Joint Resolutions. I recognize the Minority Leader.

Rep. Palacios: Thank you, Mr. Speaker. You know, I am beginning to feel that the provisions that we inserted into the Public Law 15-71 which revised the budget to reflect the decrease in resources as declared by the Governor is becoming just a formality. Here we are 40 days before the end of the fiscal year and we cannot even hold or contain costs in the government. Every session that we have had, we have been approving “critical positions.” We have approved positions for numerous community workers, assistants, supervisors, and I know that in each of these sessions, one or two of our colleagues have expressed concerns about the seeming formality. It took us three months – three arduous long months to finally come up with a revised budget to reflect the thirty million dollars in revenue decline in the general fund and available for expenditure by this whole government and we cannot even wait 30 days to hold off on some of these positions. It seems like we rush to accommodate these. It was at a meeting yesterday – and I hope my colleague Chairwoman Kaipat does not mind, but it was at a meeting yesterday when she finalized the resolution for the Attorney General’s Office. And when she looked at it, she requested her staff to call the Attorney General’s Office to give us a fiscal impact, which is attached to H. J. R. NO. 15-34 and I give credit to the JGO Chair for making sure that the information are provided to us as we have continuously requested and made a point of. Here we have two: one is for the Attorney General’s Office and the other one is for the Youth Affairs Office. I do not know how much this is going to cost the Youth Affairs Office. Does anyone have the information? One is going to cost us \$32,000 for 30 days. We really need to assist ourselves in containing the cost of this government. I think that for the Attorney General’s Office, I personally believe that had this been October 1 for the whole fiscal year we would probably say yes because it is programmatic; but to fill this position at the end of the fiscal year and to hope that when we close the book at the end of the fiscal year, we have a balanced budget. If this is mere formality, why do we not just repeal that provision that continues to exempt employers from hiring? I do not want to continue doing this. I think we ought to ask the governor – what happened to the governor’s internal policy of a hiring freeze. We seem to be rushing. On the one end we put this provision in to safeguard and contain cost, at the other end it became a formality. I ask that we try to do some diligence. I know that this will potentially just pass this House, but I believe that it is time that we look at this issue. We are at 40 days before the end of the fiscal year and I do not think these are as critical as the departments would like us to believe. Thank you.

Rep. Torres: Mr. Speaker, I suspect and I have to say that this is suspicious. They hired a person at the Attorney General’s Office at \$28,000 per annum about three months ago just to do errands. The lady ... I think there is somebody trying to put this person in the Attorney General’s Office be eligible as a Civil Service employee and I think this is part of it. We have our own people there who have been sitting for ten years receiving \$21,000 or \$25,000 per annum, and right there, three months ago they hired somebody at a starting salary of \$28,000 just to run errands for one of the assistant attorneys general. Why could they not ask the Department of Public Safety (DPS) to transfer a very respectable detective or investigator to do the job up here? Why waste another \$30,000? Get a loaner from the Department of Public Safety. There are people down there who are sitting behind desks because they have been shifted around because of the incompetence of the DPS Commissioner. It is a very sad story. Thank you.

Speaker Babauta: I guess to clarify the fiscal impact because DPS and the Attorney General’s Office are different animals in terms of enforcement of laws, the Attorney Generals’ Office has its own investigative unit and if there is a vacancy that one from the DPS would like to move, I am sure they would need a transfer from the Office of Personnel Management and not necessary

just a transfer by memorandum of understanding (MOU). So that is the difference. Chairwoman Kaipat, do you have anything to add?

Rep. Kaipat: Mr. Speaker, I do not know about the allegations made by Representative Torres. I would say though that I do understand the position being advocated by the Minority Leader, and I do share the concern about containing costs. As I read the justification that was submitted to request for certification of this position, the Attorney General is asking the Legislature to approve the exemption to hire one special investigator. This is a request for someone that they need to assist them with immigration matters, copper wire thefts, prostitution, white-collar crimes involving government corruptions and so forth. These are certainly issues that have been very prominent in our community and I think all of us would sooner rather than later want to make sure that these are investigated promptly. I understand that we are a month away from this exemption being necessary and I do understand about it not becoming just an exercise of formality. I fully appreciate that. I do not have any background information as to the allegations being made by Representative Torres to either defend it in any way as to this position. I do know that our community is suffering. I do know that we need to help them. We need to assist wherever our government needs help and work within our budget. I believe that his particular position is extremely critical. I introduced a House Joint Resolution in the past, I came to you, my colleagues, with the same kind of request to fill critical positions, and there are differences. In the case of the Judiciary, those particular positions were budgeted for and they were down to only one law clerk. Obviously we can not tie the court's hands, they need those critical positions. I really feel that this one position for this one special investigator to assist in these particular areas where as I said we have had problems being reported in the newspapers, crime rates have gone up and really need this type of person with this type of expertise to assist the investigator to make sure that the Attorney General's Office bring these particular cases to court and have them prosecuted and provide relief to our community. I ask for your patience, your understanding, your indulgence to please approve this resolution. Some positions are more critical than others and I really feel that this is the same level as the request that was presented to you on behalf of the Judiciary. I hope that you would grant my request, my plea to you that we approve this one position and let the Attorney General's Office process the application and move forward so that this person can help alleviate the problems that we have in our community. I think you so much for your consideration.

Rep. Taman: Mr. Speaker, with reference to SEN. COMM. 15-235, the Senate defeated House Joint Resolution No. 15-27. This House Joint Resolution is similar to these two joint resolutions introduced this morning. I really do not know the rationale for the Senate's defeat of this joint resolution; however, I can safely assume that their rationale is similar as to what the Minority Leader had just stated. So I think it is rather unfair that we are trying to accommodate one, but we cannot accommodate the others. Thank you.

Speaker Babauta: I want you to know Representative Taman that I worked very hard the other day last week to have that resolution adopted because I know that some members are in need of procuring professional help in their offices as we are allotted pursuant to the NMI Constitution in and the Budget Act of 2007 in our own respective allocations. So I must apologize that the Senate did not take heed on that specific request. I can see you are alluding to a case-by-case basis, so I am hoping that the explanation of Chairwoman Kaipat would suffice to the extent that would allow you to seriously consider her request. Thank you.

Rep. Waki: Mr. Speaker, a quick clarification on Representative Palacios when he mentioned about forty days for this one position. Actually the effective date and ending date that I can see on the fiscal impact sheet is for a one year contract. So, if anything the impact is spread over a period of twelve months. That is for clarification because I kind of felt that he was saying it was \$25,000 in forty days. I am just saying it is approximately another two thousand and some odd dollars in the next month-and-a-half. I understand and I also agree with Representative Palacios in reference to possibly the need to maybe repeal this particular section. The section in itself has caused a lot of interesting discussion in the area of us kind of micromanaging the hiring of whether it be legislative, executive, or judicial positions. It just sends a lot more work to the legislature. I truly believe that if it was that we needed to look at the reduction of additional revenues if we had just possibly worked on entertaining the revised budget for 2007, we may not have needed this because of the reduction of certain funding to certain branches of government would have been reduced and there would be no funding for certain positions. That way we could probably live within the certain means that we put out, but unfortunately we did not do that. So this was another way to so-call manage the expenses to certain departments. It seems to be more problematic at this point in time than actually working out the way we figured it would be. Representative Palacios did mention that it is kind of like we are just approving everything that comes in the door. My comment on the Attorney General's Office vacant position, I feel just by the recommendation he is saying for the position and what the investigator will be going after is warranted. There is definitely a need to enforce certain laws and I guess they need some personnel to go out there and actually do some investigation. I have issues with the Youth Affairs position in the First Senatorial District only because it is kind of questionable on the last forty days of the year that we want someone that could have been there last year. So the timing does not seem right, but that is just given. It is a request so I guess it is up to us to decide whether we want to accept or deny the request. But I look at the thought of if this is the way it is going to be where there are going to be constant requests up until probably the last week of the fiscal year and then we are having to look at whether they have the funding source or not. By law if they were to expend more than what they have that would be against the law. So I would say let's just leave it to them to follow their budget and work within their means, and I will work with Representative Palacios on a solution to this predicament the legislature is in at this time. Thank you.

Speaker Babauta: Clerk, take note that Representative Ada is now present. I recognize Minority Leader Palacios on a point of clarification.

Rep. Palacios: Mr. Speaker, the fiscal year, and the issue of the forty days coming up, I know that when we were provided the fiscal impact it was annualized. What I was alluding to is cost containment within a fiscal year. We had a thirty million dollar decrease and we have to deal with that: scramble, sacrifice certain departments, and yet on the one end we are trying to contain costs. I feel sorry for the Special Assistant for Planning and Budgeting because he has to figure out a way to contain costs, but on the other end we are also responsible for the leak in additional costs. If we look at the overall picture let us be reminded that this body is the one who makes up the budget and the number of personnel or FTEs in government. That is our responsibility. We are not micromanaging any department when we inserted that provision. It was intended to contain the costs within the \$163 Million Budget that we revised. That was the intent. Be mindful that we still have the austerity holidays that we have imposed on employees who have been on board for a year and maybe fifteen, twenty years. On one end, we are saying that they have to sacrifice of 10% of their 80 hours because we do not have the funds to accommodate full-time equivalence. On the other hand we are taking the savings from the imposition of the

10% decrease and we are hiring new personnel. So that is the concern that we have to be mindful of. I fully understand the justification put forth by Representative Kaipat, but I am just reminding the members of this house of this whole issue and cost containment. The House is responsible for this, if the Senate disapproves it; we are responsible for the number of FTEs and the budget itself. We are responsible for Public Law 15-71 and its provisions. Thank you, Mr. Speaker.

Vice Speaker Quitugua: Mr. Speaker, if there is anything that I learned in this critical times are the words: essential, critical, and exemption. We passed the austerity law and we have the words: essential, critical, and exemption. As the Minority Leader said, since we passed that legislation, we receive notice of exemptions because the positions are essential, they are critical. We passed the revised budget for Fiscal Year 2007, we had the same words: essential, critical, and exemption, and we are going through the same exercise again in almost every session. So these are three words that we really have to think about when we work in the next budget. And if we are going to use these three words, we better define them and narrow it down so it will not be left up to the hiring authority to define. That brings me, Mr. Speaker, to wonder whether \$193 Million is really the right budget for Fiscal Year 2007. We started with \$193 Million, then it was reduced to \$163 Million and yet we continue to hire. It really makes me wonder if \$163 is the right budget for Fiscal Year 2007. It makes me wonder, again, for Fiscal Year 2008 whether \$160 Million is the right budget. It seems like there are still funds left towards the end of the fiscal year to hire more people. Thank you, Mr. Speaker.

Speaker Babauta: Let us try to wrap this discussion up. I now recognize Representative Ogo.

Rep. Ogo: This is very interesting, Mr. Speaker, because when the request came in to my office yesterday, my office immediately contacted one of our legal counsels to discuss the issue of Public Law 15-71, Section 2(d). I am surprised that we are discussing about maybe repealing that section, because that was my discussion yesterday with the legal counsel. For the past several sessions there is always a House joint resolution that we have to discuss. I agree with the Minority Leader, because I requested the legal counsel yesterday to draft a bill to repeal that section, because it is kind of redundant for us to continue doing this. At the same time, I requested the legal counsel to have the legislative assistants acquire information of all the positions that have been previously submitted to see in the dollar amount what we have been approving. So I would like to share with the members that draft is forthcoming.

Speaker Babauta: What draft?

Rep. Ogo: To repeal that section on Public Law 15-71 on the hiring moratorium, but we only have one month to go. I am just saying, Mr. Speaker, that it is very interesting that we are discussing that now. However, on the subject of H. J. R. NO. 15-33, this position has been applied for the past three months, but due to the hiring freeze, it never went through. I would like to say with the members that the funding for this position is outside the General Fund, it is not within the \$163 Million.

Speaker Babauta: Under the Tobacco Control Fund.

Rep. Ogo: Correct. So it is just to share with the members that it is not going to even have a dent within the General Fund revenues, this is outside the General Fund. I kindly request the members that because the funding is there, please consider House Joint Resolution 15-33 for the benefit of our youth in the island of Rota. Thank you.

Speaker Babauta: For all it is worth and I hope that the Committee on Ways and Means work diligently on Fiscal Year 2008, because the bottom line is, this is punishing our own doing in itself. They manage to comply with the recommended language. So please bear in mind that whatever language the committee puts or similar to this, it has to be complied with by the expenditure authority because you as the Chairman of Ways and Means have allowed this. So in essence, even the Legislature is complying with what you have consummated with the Senate in reducing the fiscal year budget. Some members are impacted by this provision and in as much as I want to help every member of this House to procure their necessary professional people, and I support that unfortunately, the Senate did not see the importance, and that it is not very critical and essential. Therefore, the exemption was not granted. So let us seriously take a look at all the issues and concerns that we have been raising over the past weeks or the past month.

Rep. Tenorio: Mr. Speaker, I would like to comment on the impact. As it is right now when we have two months towards the end of the fiscal year, perhaps the impact is very small. But if these people are going to be hired, it is going to be the FY 2008 budget that will really be impacted. Keep in mind that there is going to be a reduction in the budget for the next fiscal year. So far I have not seen a situation where we disapprove a request from the Governor. For that reason, I agree with some of the speakers that we need to actually see the fiscal impact on an annual basis not just for one or two months. You have to come down and start reducing manpower to get a balanced budget for Fiscal Year 2008. I am really concerned because when it comes to that we might have to come back again and start asking people to sacrifice holidays, you know, take austerity measures. We are faced with a problem here, Mr. Speaker. Do we hold all these requests until the end of the fiscal year until we receive all actual fiscal impact for Fiscal Year 2008? That is where the pain is going to be, when we are start laying off people or reduction in force because we cannot pay them.

Speaker Babauta: Well, you and I are going to have to explain this to our people in Precinct II.

Rep. Tenorio: Not so much in Precinct II, Mr. Speaker, because there are more nonresident workers there than there are residents, but Precinct I would be in deep trouble in explaining this.

Rep. Tebuteb: Mr. Speaker, I wholeheartedly agree with the sentiment mentioned by our Vice Speaker on the definition of those words: critical, essential and exemption. It seems that is conflicting or the opposite of reduction in government. I probably can submit names to the chairwoman since H. J. R. NO. 15-34 is her request, if you want. I know and I have also spoken to one of the assistant special investigators at the Attorney General's Office who was, let me use the words *not renewed* because of the austerity measure proposed by the administration or the government as a whole. I would like to suggest to this body or the Chairman of the Ways and Means Committee if we could, although the fiscal year is almost at the end, refer these matters to the committee whenever we receive them because I have strong reservations with H. J. R. NO. 15-33 because we have requested before, and as everyone have mentioned, we need to see the fiscal impact. Thank you, Mr. Speaker.

Speaker Babauta: Thank you for sharing you concern. I recognize Representative Taman for the second time.

Rep. Taman: Thank you, Mr. Speaker. [*end Tape 1, side A; beginning side B*] ...the law. So I would urge my colleagues to pass this joint resolution and get it over with. Thank you.

Rep. Ada: Mr. Speaker, Representative Taman might be right in many respects as to fulfilling the requirements of the law; but bear in mind that we are faced with complains from the public everyday and that we should be cutting down because the economy is down, the price of gasoline is up, the surcharge and all this. We are really sending a wrong message after imposing a moratorium and coming back and filling a position. We are really sending the wrong message. There are people out there saying – Oh, these lawmakers are lying to us, or the administration, per se, and they have money because they can fill in another position. I would like to see a list of positions frozen and not re-announced to reflect the austerity, to reflect the sincerity that we are really imposing austerity measures. Our budget is being cut every quarter, Mr. Speaker. We are all nervous about our allotments; we cut down on our expenses thereby cutting down on our personnel in each of our respective offices. Here we are ...

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

Speaker Babauta: State your point.

Rep. Tebuteb: Representative Ada mentioned cuts, is that inclusive of travel?

Rep. Ada: Everything, sir, all categories of our expenditures in our offices. It is really sending a wrong message, and I do not want to be faced again by the public out there saying – *ilek-miyo na taya salape...ti siña en ayuda hame nui surcharge ni manmamedesi hame kada dia, pues estague ta'lo na manman hire hamyo. Man a'chacha dakun ha' hamyo guenao hulo'*. How many times do I have to listen to these things, and they are right. We are really sending them the wrong message. So whether it comes from tobacco funding or whatever funding, we are really sending the wrong message. We do things today – impose a moratorium – the next day we break the moratorium and hire another one. Thank you.

Speaker Babauta: It is about time to impose and reflect our decision on these two joint resolutions. For the last time, I recognize Chairwoman Kaipat.

Rep. Kaipat: Thank you, Mr. Speaker. My colleagues, I do understand the concerns. I am not disagreeing with the need to be prudent in how we manage the budget. I must emphasize that yes, we have been using terminologies like critical, exemption and so forth, and I would like to say that there are critical positions and there are critical positions. If you look at this particular position that the Attorney General is requesting, this is for a special investigator to go out. Our community is suffering from all these problems from copper wire thefts, crimes in our community and I would say that \$32,000 is a lot less than what it would have cost to have the Senate approve that House Joint Resolution that they rejected which would have allowed the House members to hire some staff. This is only one position, it is only \$32,000 that would allow the Attorney General to help get rid of the crimes in our community. People are suffering out there. As I have stated before, in terms of the Judiciary, that was fully justified and I appreciate all of you who voted on that and I am asking for the same consideration for this one request for one special investor that the Attorney General is requesting. They need the help and I believe that it is incumbent upon each and every single one of us to help our community and help the Attorney General in doing their work. I implore each one of you to please approve this H. J. R. NO. 15-34. Thank you very much.

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

Speaker Babauta: State your point.

Rep. Waki: On the motion to adopt the joint resolutions, are we voting on both House joint resolutions at one time, or are we voting individually?

Speaker Babauta: The motion offered by the Floor Leader Pro Tem is for the adoption of both joint resolutions.

Rep. J. Deleon Guerrero: Mr. Speaker, I find it kind of funny that the justification for the hiring of this special investigator is to look into the copper wire theft, among others. I have been talking to our good folks at the Department of Public Safety primarily the detectives especially in light of the copper wire theft incidents that have been rampant in our community and they have shared their frustrations that they are working with their hands tied behind their backs. They are working to try and solve these copper wire thefts, but at the same time they are hindered because of budgetary constraints. They are told that they have only forty hours of overtime and when they are in the middle of an investigation – and a lot of these happen at night not during the daytime – so as they go out and start pursuing these leads, they are told by their supervisors to stop and go back because they have gone beyond the overtime limit authorized by the department. I found that so ... it borders on criminals that we ourselves are the ones that hinder our own detectives to be able to complete their investigation because of overtime. And now here we are the Attorney General is asking for an FTE to solve the copper wire thefts. My goodness, where are our priorities. We have more than adequately trained people at DPS to investigate these matters, we tie their hands and then we turn around and blame them for not solving it and then we turn around again and try to recruit more people to resolve it. What are we going to get? We are going to get another investigator who is probably going to be told the same thing that the DPS CIB were told – you cannot complete your investigation because of budgetary constraints. I just want to point that irony out. Thank you.

Speaker Babauta: I would recognize Representative Ogo for the last time, and will close this debate in five minutes.

Rep. Ogo: Thank you, Mr. Speaker. Mr. Speaker, before we even decide to split the voting of the two joint resolutions, let me share the essentialness and the criticalness of this position that is being requested. The word *youth* alone to me is an essential word. Why?—because we go out there during election year and we campaign: *para i manhoben-ta*. Now we have an answer, at least for the First Senatorial District. This position has been available since the Fourteenth Legislature. We have not hired anyone, and now that it is up we are thinking how come the First Senatorial District thinks it is essential to hire a youth representative. Number one, this position is funded out of the General Fund, which is the Tobacco Funding. And whoever gets hired will basically be out there in the community promoting no to tobacco. That is essential to me and hopefully this joint resolution is approved and we hire someone who can do a lot of preventive measure regarding the use of tobacco. I think and feel that everyone here understands the essential in preventing tobacco use amongst our youth. I want to ask everyone in this chamber to consider – where you once a young individual who started smoking before you were eighteen years old? That is the issue that we are discussing right now. Rota wants to hire somebody to make sure that there is a preventive program. If you do not think that is important, then let us defeat this joint resolution today. But wholeheartedly think about yourself – were you once a smoker when you were young? We are trying our best here to prevent the youth in Rota from

smoking and this is the answer. I kindly ask the members to please consider the children in the island of the First Senatorial District who will be smoking cigarettes or using tobacco for their chew. We want somebody down there to make sure that they promote prevention. I tried smoking one time – only once – I decided not to smoke anymore because I did not like the flavor. So I am not a smoker. Thank you.

Speaker Babauta: I now recognize the motion for adoption. I have eleven minutes to release the Legislative Bureau staff for lunch.

Rep. Waki: Mr. Speaker, point of clarification, if I may?

Speaker Babauta: State your point.

Rep. Waki: If I am not out of order, I would like to make a motion to vote on the joint resolutions individually

Speaker Babauta: To shorten your recommendation, please put it in a form of a subsidiary motion.

Rep. Waki: Mr. Speaker, I move to have H. J. R. NO. 15-34 and H. J. R. NO. 15-33 voted separately.

The motion was seconded and carried by voice vote.

Speaker Babauta: I would now recognize the motion to vote first on H. J. R. NO. 15-33. Clerk, call the roll.

The roll on the motion to adopt H. J. R. NO. 15-33 was as follows:

(Rep. Ada: For good health of the youth, I vote yes.)

Rep. Martin B. Ada yes

Rep. Edwin P. Aldan yes

Rep. Francisco S. Dela Cruz yes

Rep. Florencio T. Deleon Guerrero yes

(Rep. J. Deleon Guerrero: This is funded under the Tobacco Control Fund; it does have adequate funding, which was included in Public Law 15-71 I vote yes.)

Rep. Joseph P. Deleon Guerrero yes

Rep. Jacinta M. Kaipat yes

Rep. Jesus SN. Lizama yes

Rep. Crispin M. Ogo yes

(Rep. Palacios: This position was available since the Fourteenth Legislature two years ago, yet the department never saw fit to fill it. How that we are down \$30 Million we are rushing to fill it because it is for the youth even after three years in the books. I will vote no. Thank you, Mr. Speaker.)

Rep. Arnold I. Palacios no

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

Speaker Babauta: State your point.

Rep. Seman: Public Law 14-80 appropriated this fund to the First Senatorial District for the youth, but because money had been reprogrammed during the Fourteenth Legislature, it took time for the Department of Finance to collect additional funds, and funding for

this appropriation was completed during the 3rd Quarter of this fiscal year. Therefore, these agencies are now rushing to use up the money till the end of the fiscal year because come the new fiscal year, new appropriation bills will be introduced for new programs under the Tobacco Control Funds.

Speaker Babauta: Thank you for your clarification. Clerk, continue with the roll.

Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	yes
Rep. Ramon A. Tebuteb	no
<u>(Rep. Tenorio</u> : Mr. Speaker, based on the clarification of my good colleague Representative Seman and because we have representatives for the other two islands, it is only fair that we support this. My vote is yes.)	
Rep. Manuel A. Tenorio	yes

Speaker Babauta: Clerk, continue.

<u>(Rep. Torres</u> : Mr. Speaker, if there is really money for this, I vote yes.)	
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	no
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: By a vote of twelve “yes,” H. J. R. NO. 15-33 is hereby adopted by the House.

Rep. Palacios: Point of information.

Speaker Babauta: State your point of information, Mr. Minority Leader.

Rep. Palacios: I want to state for the record, Mr. Speaker, to my good colleague Representative Ogo that my opposition to the request is not a reflection of my insensitivity to the issue but simply that we are coming around to the end of the fiscal year in the next thirty days. I think that we can wait for the new program and the new funding cycle to come in.

Speaker Babauta: Thank you for your keen explanation. We will now vote on the motion to adopt H. J. R. NO. 15-34.

The motion to adopt H. J. R. NO. 15-34 was carried by voice vote.

Speaker Babauta: The motion is carried and H. J. R. NO. 15-34 is hereby adopted by the House.

Rep. Tebuteb: Mr. Speaker, I had requested that if we should again receive these types of requests that we will refer them to the Committee on Ways and Means. Should I put that in a form of motion?

Speaker Babauta: You can be assured by the Chair that all future requests from the Executive Branch, autonomous agencies, the Judicial Branch, and including the Legislature will be directed to the Chairman of the Committee on Ways and Means for proper fiscal review. Chairman Ogo, please take note. Floor Leader, we have five minutes before our lunch time so you may continue.

Floor Leader Pro Tem Lizama: Thank you, Mr. Speaker. I move for the adoption of H. R. NO. 15-143 and H. R. NO. 15-144.

The motion was seconded.

H. R. NO. 15-143: A HOUSE RESOLUTION TO REQUEST THAT THE SECRETARY OF THE DEPARTMENT OF FINANCE ENFORCE THE PROVISIONS UNDER THE NONRESIDENT WORKERS ACT REGARDING THE ISSUANCE OF BUSINESS LICENSES TO NONRESIDENTS AS CODIFIED UNDER 3 CMC § 4437(H).

H. R. NO. 15-144: A HOUSE RESOLUTION TO REQUEST THAT THE SECRETARY OF THE DEPARTMENT OF COMMERCE ENFORCE THE PROVISIONS UNDER THE PAWNBROKERS ACT REGARDING THE RECORDING AND REPORTING OF LICENSEES' TRANSACTIONS AS CODIFIED UNDER 4 CMC § 5643.

The Chair recognized Representative Tenorio under discussion.

Rep. Tenorio: Mr. Speaker, I would like to request the author for a copy of the legal opinion from the Attorney General with regards to H. R. NO. 15-143. I think this resolution go hand-in-hand with H. B. NO. 15-232 which is on the Bill Calendar.

Vice Speaker Quitugua: Mr. Speaker, the legal opinion that came out was in the *Saipan Tribune* where the Attorney General was advising those who were here after July 28, 1987 that they shall not have any interest ...

Rep. Torres: Point of order.

Speaker Babauta: State your point.

Rep. Torres: Mr. Speaker, I thought the Attorney General rescinded that legal opinion.

Vice Speaker Quitugua: Mr. Speaker, I am not aware of that, but that was in the newspaper and this resolution was based on the legal opinion that was published in the newspaper.

Speaker Babauta: Let me clarify the concern raised by Representative Torres. I guess it was not necessarily in the form of a legal opinion but more of a publication made by our Attorney General's Office clarifying that all those who have engaged in businesses who were not qualified under that statute shall cease and desist. You still have the floor, Representative Tenorio.

Rep. Tenorio: Thank you, Mr. Speaker. I wanted to actually see a legal opinion issued by the Attorney General's Office. H. B. NO. 15-232 is the first legislation on our Bill Calendar today. Very simply, the bill states: "...to clarify the privilege of nonresident workers owning a business." That is legal opinion that would reflect this discussion that we are going into when we get to the Bill Calendar. I just want to obtain, maybe at a later time today, a copy of the legal opinion, so that we can use it during our discussion. Thank you.

Speaker Babauta: That is if we have such an opinion, we will ask the Vice Speaker to obtain that copy.

Vice Speaker Quitugua: Mr. Speaker, I will get a hold of the opinion that was in the newspaper from the legal counsel and provide it to my good colleague. Mr. Speaker, H. B. NO. 15-232 is

actually requiring those who have already obtained a business license that shall upon renewal apply for the foreign investment license rather than a regular license pertaining to a business.

Rep. Kaipat: Mr. Speaker, and colleagues, I want to clarify because you are all asking for a legal opinion, but the particular provision that this refers to is already in the books, a statute, part of the Nonresident Workers Act. All the Attorney General did was to write about that particular provision of the law. I also want to assure you that H. B. NO. 15-232 authored by the Minority Leader who is also a member of the task force and has worked very diligently with me on the H. B. NO. 15-38. That particular bill, the Labor Reform Bill, also address this issue and even broadens the provision. So I just want to point this out to all of you.

Rep. Palacios: Mr. Speaker, this is a classic example of statutes in our books that are not enforced. I commend the Attorney General for coming out in the paper and saying that it is illegal. I do not know whether he has rescinded an opinion; I have yet to see the legal opinion. I read about this in the local paper and I commend him for finally giving instruction to our licensing agencies about this issue. Those individuals working in the licensing agencies have been asking for a direction on this particular issue. It is for that reason that I introduce this legislation to push the issue to have these statutes enforced. In fact, if I am not mistaken, you, Mr. Speaker, have also sponsored legislation similar to this.

Speaker Babauta: It was vetoed.

Rep. Palacios: Your legislation was vetoed, but we already have a statute that has not been enforced by the previous Attorney General and hopefully, the present Attorney General will have a clear legal opinion and instructions to these regulating agencies so that they can implement these statutes. I believe that we need to ask the Attorney General for a legal opinion.

Speaker Babauta: That will be taken care of by the Vice Speaker, but it should have been more enforceable if my bill had been signed into law, but I do not want to dwell into that and I do not want to tell you when it was vetoed, and who vetoed it. Let us move on with this resolution just to request that we seriously consider enforcing that provision of law.

Rep. Tenorio: Mr. Speaker, there about 260 plus foreign investors on island, and you know who are the investors – the 2x4's operation all over the island. I wonder if they are actually paying the foreign investment fee or whether they qualify under the foreign investment criteria. These are people selling tires, operating small tire repair shops and what have you. That is why this bill is very important and I commend my good colleague for coming up with it and I hope we pass it today.

Speaker Babauta: Similarly, it is fortunate that discussion is brought up because this includes those mobile vegetable stands. We all probably know that they are operated by foreign nationals, but looking at their business licenses it belongs to our local people, and that is the root of the problem.

Rep. Torres: Mr. Speaker, I would like to ask Representative Tenorio what he meant by 2x4. Is it the 2x2 pickup truck or the 2x4 pickup truck?

Rep. Tenorio: It is a figure of speech, Mr. Speaker.

Rep. Kaipat: Mr. Speaker, I want to clarify to the members that we dealt with this issue in H. B. NO. 15-38 so that we resolve this conflict that we are having and ultimately, is it not true that we want people here who run businesses, who abide by the law, pay taxes and all that? So H. B. NO. 15-38 is to encourage those who are here and perhaps operating their businesses without coming in as investors by giving them a transition period to do that legitimately so that we can once and for all resolve this issue. It is better to legitimize those who are here and have them pay their fair share of taxes and come in as investors and paying what they are supposed to pay rather than some of them just operate their businesses illegally. This is a problem that we faced when I was at the Department of Labor, I am sure that they continue to face it today. With the Department of Commerce, we have requested that they be more prudent in how they issue out business licenses. I would say that the bottom line is, businesses need to be solvent and make sure that they pay their fair share of taxes and that everybody abides by the same laws. Hopefully, our colleagues in the Senate will soon pass H. B. NO. 15-38 so we can plug up some of these loopholes and strengthen our laws. Thank you.

Rep. Ada: Mr. Speaker, I would like to offer an oral floor amendment.

Speaker Babauta: Proceed.

Rep. Ada: On H. R. NO. 15-143, after the word “worker” on page 1 line 2, strikeout “whose” all the way to “1987” on the third line.

Speaker Babauta: On the potential amendment that you are going to make, this is the provision now in the law under § 4437(h). Meaning that particular paragraph is in the statute. The Vice Speaker is referencing that provision.

Rep. Ada: Oh, it is a reference; I withdraw my amendment.

Speaker Babauta: Thank you.

Rep. Ada: Mr. Speaker, let me put my two cents worth. This is one of the things that are an example of two departments not working hand in hand. If the Department of Labor and the Division of Immigration had given a list of nonresident workers and investors entering the coming into the Commonwealth in the first place to the business licensing people, that simple list would have given me a guidance of who is a nonresident worker and who is an investor rather than just rampantly issuing business licenses without really checking the background. I understand that the Division of Revenue and Taxation and the Business Licensing Division are trained to earn as much tax dollars as we would like but a simple thing like that between two departments could really ease the saturation of the issuance of licenses to nonresident workers. Thank you.

Vice Speaker Quitugua: Mr. Speaker, I apologize for not requesting for this earlier, but if there is no objection, I would like for this to be introduced by the Committee of the Whole.

Speaker Babauta: Without objection from the Floor.

No one objected.

Speaker Babauta: So ordered. We will now be voting for the adoption of H. B. NO. 15-143 and H. R. NO. 15-144 by the Committee of the Whole.

The motion to adopt H. R. NO. 15-143 and H. R. NO. 15-144 was carried by voice vote.

Speaker Babauta: H. R. NO. 15-143 and H. R. NO. 15-144 are hereby adopted by the House. Floor Leader.

Floor Leader Pro Tem Lizama: Thank you, Mr. Speaker. I move to recess for lunch.

Speaker Babauta: The House stands recessed until 1:30 this afternoon.

The House recessed at 11:40 p.m.

RECESS

The House reconvened at 1:50 p.m.

Speaker Babauta: We are back in plenary session and we now go down to Item 15, Bill Calendar.

BILL CALENDAR

Speaker Babauta: I recognize Representative Seman.

Rep. Seman: Thank you, Mr. Speaker, with the concurrence of the Chairman of the Committee on Ways and Means I would like to withdraw from the Committee H. B. NO. 15-213 and request that it is placed on the Bill Calendar for consideration. I would like to offer a substitute legislation if it is calendared.

Speaker Babauta: Once we get into discussion, I will recognize you to offer the substitute. The motion on the floor is to withdraw H. B. NO. 15-213 from the Committee on Ways and Means.

The motion was seconded.

H. B. NO. 15-213: A BILL FOR AN ACT TO AMEND SECTION 503 OF PUBLIC LAW 15-28 TO ADD SUBSECTION (C) FOR THE PAYMENT OF CIVIL ACTION NO. 04-0220E (JUDGMENT AGAINST THE GOVERNMENT) AND FOR OTHER PURPOSES.

There was no discussion and the motion to withdraw H. B. NO. 15-213 from the Committee of Ways and Means was carried by voice vote.

The Chair recognized Floor Leader Pro Tem Lizama.

Floor Leader Pro Tem Lizama: I move to suspend pertinent House Rules to include H. B. NO. 15-213 in today's Bill Calendar.

The motion was seconded and carried by voice vote.

Speaker Babauta: Floor Leader, you may proceed with the first bill.

Floor Leader Pro Tem Lizama: Thank you, Mr. Speaker, and good afternoon. I move for the passage of S. B. NO. 15-14 on First and Final Reading.

The motion was seconded.

S. B. No. 15-14: A BILL FOR AN ACT TO AMEND 1 CMC § 8117(I) OF THE COMMONWEALTH CIVIL SERVICE ACT TO PROVIDE THAT THE CIVIL SERVICE COMMISSION SHALL AMEND THE CIVIL SERVICE RULES AND REGULATIONS TO REMOVE ANY AND ALL PROVISIONS REQUIRING THAT PERSONS SEEKING TO BE CERTIFIED A ELIGIBLE FOR A CIVIL SERVICE POSITION HAVE PRIOR WORK EXPERIENCE IF SUCH PERSONS POSSESS A BACHELOR’S, MASTERS, OR DOCTORAL DEGREE, IN THE FIELD OF EXPERTISE RELATED TO THE CIVIL SERVICE POSITION FOR WHICH THE PERSON HAS APPLIED.

There was no discussion.

Speaker Babauta: Ready? Clerk, call the roll.

The Clerk called the roll on the motion to pass S. B. NO. 15-14 on First and Final Reading:

Rep. Martin B. Ada	absent (during voting)
Rep. Edwin P. Aldan	excused (absent)
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	excused (absent)
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	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	excused (absent)
Rep. Oscar M. Babauta	yes

Speaker Babauta: With the vote of fourteen “yes,” S. B. NO. 15-14 passes the House on First and Final Reading. I recognize Representative Torres.

Rep. Torres: Mr. Speaker, I need to ask why are we not addressing H. R. NO. 15-139, HS1. I have provided Chairwoman Kaipat yesterday with the documents necessary that needs to be addressed on the request to terminate his employment. Mr. Speaker, if I may?

Speaker Babauta: I will allow it, continue.

Rep. Torres: The magnitude of my resolution that the Attorney General has committed perjury and I guess hiding the disclosure in his statement financial interest when he submitted to the Senate for his confirmation as the Attorney General. He denied having a direct financial interest and that refers to his girlfriend or common law wife. On number 7 and number 8 he indicated

“no,” and signed under oath of a notary public submitted to the Public Auditor on January 23, 2006. That particular section of the financial statement shows that he is denying or hiding that he has a special interest. I mean he lied under oath, and to ignore this incident, my God, people from the Administration are calling me and telling me to shoot this resolution and give the Governor an excuse to terminate because this much is all the Governor needs to terminate the guy. I ask that we take action on this whether we vote for the resolution or kill it. I want to make sure that it is on the record. I want to make public that on page 2 from line 3 to line 15, those are his doings of impropriety especially from lines 11 thru 13. He swore under oath; he lied in front of the Senators. Thank you.

Speaker Babauta: I am cognizant of the issues at hand as we discussed last Friday. Certain documents that you provided to the Chairwoman yesterday in which my office also received a copy of, I only ask Representative Torres that we give our Chairwoman ample time, not necessarily to drag this issue at length, but to give her the necessary time to digest those official documents. Whether or not the Chairwoman and the Committee feel that we need to pursue, that is the venue that this House or I would like this House to support. As I mentioned earlier, these are very, very serious issues raised in the Resolution and again on the pertinent documents that you provided. I just do not want innocent members voting on something and finding out down the line that half of it is not exactly what it is. Again, with prudence, I only request your indulgence that we allow the Chairperson to work with her Committee diligently on those issues. Of course, this House and the Chair recognizes the importance of your request, Representative Torres.

Rep. Torres: To clarify the document that I provided to the Chairwoman, in the letter from the Governor of February 1, 2006, this is why the Attorney General is ignoring the request that he submit his drug test result because there is a difference in the letter and I am pretty sure that he drafted the letter for the Acting Governor's signature. In the second paragraph ... [*End of Tape 1, side B*] ... [*Beginning Tape 2, side A*] ... from the Governor or the Acting Governor, please submit a copy of your resume' and financial statement and drug test receipt and drug test result to my office as soon as possible. Do you see the difference?—Those words are not the same. This is why he is providing because it is not mandatory that he submit. He is just saying, an evidence of compliance to the mandatory drug screening not drug test result. The same as the letter to Mike Sablan, the Public Auditor or anybody else. He is the only one that is different from the others. I have to say and suspect that he drafted this letter so that he is not mandated to provide his drug test result.

Speaker Babauta: Once again, those kinds of suspicions that you raised need to be diligently and carefully be examined whether or not that letter was executed purposely, or by the Attorney General himself, or by the secretary of the Governor the Acting Governor, or whoever does the appointment letters. So please bear with the Committee Chair and the members so that we may once and for all rectify those allegations as you rightfully stated in this session.

Rep. Kaipat: Mr. Speaker, ever since last week my office has been requesting for these supporting documentations from Representative Torres' office. It was not until the middle of our committee meeting yesterday afternoon that I was given this document. What am I going to do?—Just take that and based on that just sign off on it. That is not how I work. Now, if you are in such a hurry and you want to withdraw this and take action on it, so be it, but I do not want a part of it. These are very serious allegations and we do not just want to go around, and quite frankly it is not the only thing that we have in the Committee to turn our attention to. I am

constantly being assigned all these things. Why now? Is this the only thing that we are going to be doing? What are we? Investigators now? If you want Mr. Gregory to be fired, fire off a letter to the Governor. You do not need a resolution. All of you can sign a petition. To make it appear as though you give me a document and I am sitting on it as if I am doing this deliberately, I resent that. Take whatever action you feel appropriate, but do not insinuate anything.

Speaker Babauta: That is the reason that I asked our good representative to allow you, Madam Chairperson and the members of the Committee because as I have said last Friday and again today these are serious allegations that need to be substantiated. I do not want to see any member voting for something that as time passes find out that one or two of these allegations were not carefully reviewed and otherwise not true. So it is a serious issue that a member has raised in an official House session that warrants House action. As careful as we can be, primarily involving an individual allegedly being implicated by official documents that have been submitted to various offices one being the Senate and for that matter the Public Auditor's Office. So these are serious issues that need serious consideration. Again, Representative Torres, I humbly ask for your unwavering support to allow the Committee on Judiciary and Governmental Operation to evaluate those presented to the Chairwoman's office yesterday. I recognize the Minority Leader.

Rep. Palacios: Mr. Speaker, we touched on this issue during our last session and there are some serious allegations in the Resolution. One that eventually we are going to have to address is either to adopt the Resolution or not. But because of the seriousness of these allegations, I would also like to request my colleague as a member of the JGO Committee, I would assure him that we will look into these issues and try to come out with a report on this Resolution as expediently as we can. I also want to see a closure to this issue. So let me assure my colleague that we will work on this towards the next session. Thank you.

The Chair recognized Representative Dela Cruz.

Rep. Dela Cruz: Mr. Speaker, this is not on the issue of H. R. NO. 15-139, but I would like to apprise the members on the PUC nominees, and if I may during Miscellaneous Business. Thank you, Mr. Speaker.

Speaker Babauta: Thank you for the reminder. We will continue on Item 16. I recognize the Floor Leader.

Floor Leader Pro Tem Lizama: Mr. Speaker, I move to suspend pertinent Rules to include on today's Bill Calendar for action H. B. NO. 15-213.

The motion was seconded and carried by voice vote. H. B. NO. 15-213 was placed on the Calendar.

Floor Leader Pro Tem Lizama moved for the passage of S. B. NO. 15-90, Senate Draft 1 (SD1) on First and Final Reading and the motion was seconded.

S. B. No. 15-90, SD1: A BILL FOR AN ACT TO CREATE A MARINE RESERVE AREA ON TINIAN FROM SOUTHWEST CAROLINAS POINT AND TO PUNTAN DIABLO; AND FOR OTHER PURPOSES.

Speaker Babauta: The motion on the floor has been seconded for the passage of S. B. NO. 15-90, SD1 with reference to SEN. COMM. 15-224. The floor is open for discussion.

There being no discussion, the Clerk call the roll on the motion to pass S. B. NO. 15-90, Senate Draft 1 follows:

Rep. Martin B. Ada	yes
Rep. Edwin P. Aldan	excused (absent)
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	excused (absent)
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

Floor Leader Pro Tem Lizama: Mr. Speaker, can we have a short recess?

Speaker Babauta: Short recess.

The House recessed at 2:11 p.m.

RECESS

The House reconvened at 2:12 p.m.

Speaker Babauta: We are back in plenary session and we are voting on S. B. NO. 15-90, SD1. Clerk, continue with the roll.

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

Speaker Babauta: S. B. NO. 15-90, SD1 passes the House of First and Final Reading. Floor Leader, you may continue.

Floor Leader Pro Tem Lizama: Thank you, Mr. Speaker. I move for the passage of S. B. NO. 15-98 on First and Final Reading with reference to SEN. COMM. 15-225.

S. B. No. 15-98: A BILL FOR AN ACT TO AMEND THE COMMONWEALTH CODE TO REFORM THE ADMINISTRATION OF THE SICK LEAVE BANK AND PLACE PRUDENT FISCAL CONTROLS THEREON; AND FOR OTHER PURPOSES.

Speaker Babauta: The motion on the floor is to pass S. B. NO. 15-98 has been seconded. I recognize Representative Seman under discussion.

Rep. Seman: I want to share with the members of the House, Mr. Speaker, page 2, line 20. It talks about a provision where a member cannot be paid more than the hourly rate of the donor,

but in essence nobody in this government can turn sick leave into cash value. It is really irrelevant to include this provision in the bill.

Speaker Babauta: Let us take a one minute recess.

The House recessed at 2:15 p.m.

RECESS

The House reconvened at 2:40 p.m.

Speaker Babauta: We are back to our plenary session and under discussion of S. B. NO. 15-98. I now recognize Representative Seman.

Rep. Seman: Thank you, Mr. Speaker. I would like to offer an amendment to S. B. NO. 15-98. On page 1 delete in its entirety line 14 thru line 17, and on page 2 delete in its entirety line 20 thru line 22. I so move.

The motion to amend S. B. NO. 15-98 as offered by Representative Seman which was seconded is as follows:

On page 1 delete in its entirety line 14 thru line 17 which reads:

~~The Legislature is cognizant of the CNMI's fiscal situation and therefore finds that cost controls should be added such that an hour of leave donated to the bank may not be "cashed out" at a value higher than the hourly wage of the contributor. Failure to do this creates an unfunded liability which must be avoided at all costs.~~

On page 2 delete in its entirety line 20 thru line 22 which reads:

~~(d) Any hour contributed to the general pool of the sick leave bank or for the benefit of a specifically named employee shall be worth no more than the hourly rate earned by the contributor at the time the hour was contributed.~~

There was no discussion and the motion to amend S. B. NO. 15-98 was carried by voice vote.

Speaker Babauta: The motion is carried. We continue to discuss S. B. NO. 15-98, House Draft 1.

There was no further discussion on S. B. NO. 15-98, HD1.

The vote on the motion to pass S. B. NO. 15-98 in the form of House Draft 1 (HD1) follows:

Rep. Martin B. Ada	yes
Rep. Edwin P. Aldan	excused (absent)
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	excused (absent)
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	no
<u>(Rep. Palacios:</u> We have so many laws already regarding the Sick Leave Bank. It is becoming confusing and I think the Office of Personnel Management is going to get more confused. My vote is “no.”)	
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	no
Rep. Candido B. Taman	no
<u>(Rep. Taman:</u> I will be convinced to help our employees if we have some examination or further studies conducted by the committee; therefore, I am voting “no” on this bill.)	
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	no
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	no
Rep. Ray N. Yumul	excused (absent)
Rep. Oscar M. Babauta	yes

Speaker Babauta: By a vote of nine “yes,” S. B. NO. 15-98, HD1 passes the House on First and Final Reading. I would like to recognize the Honorable Stanley Torres for about 30 seconds.

Rep. Torres: Thank you, Mr. Speaker. I have a privilege speech. I decided not to read it but I will submit it to the Clerk for official record.

Speaker Babauta: With that being said, the Chair recognized that document as being officially submitted for the perusal of the members. If anything, we will further dilute the document under Miscellaneous Business.

The document submitted by Representative Torres was recorded as HSE. COMM. 15-44.

Speaker Babauta: Floor Leader, next bill.

Floor Leader Pro Tem Lizama: Mr. Speaker, I move for the passage of S. B. NO. 15-97.

The motion was seconded.

S. B. No. 15-97: A BILL FOR AN ACT TO AMEND SECTION 5512 OF TITLE 4 OF THE COMMONWEALTH CODE TO IMPLEMENT THE INTENT OF PUBLIC LAW 3-77, THE “LOCAL LAW ACT OF 1983” BY CLARIFYING THE PORTIONS OF THE ALCOHOL CONTROL STATUTES WHICH MAY BE ENACTED OR AMENDED BY LOCAL LAW; AND FOR OTHER PURPOSES.

Speaker Babauta: Discussion on the motion to pass S. B. NO. 15-97 with reference to SEN. COMM. 15-234. Ready? Clerk, call the roll.

The clerk called the roll on the motion to pass S. B. NO. 15-97 on First and Final Reading:

Rep. Martin B. Ada	yes
Rep. Edwin P. Aldan	excused (absent)
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	excused (absent)
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	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	excused (absent)
Rep. Oscar M. Babauta	yes

Speaker Babauta: By a vote of 15 yes, S. B. NO. 15-97 passes the House on First and Final Reading. I recognize Representative Torres.

Rep. Torres: Mr. Speaker, I am glad that this bill is passed. This would make each island more liberal in passing legislation and controlling alcoholic beverages. Thank you to the Senate.

Speaker Babauta: This is going to promote the testing bill. Floor Leader, next bill.

Floor Leader Pro Tem Lizama: Thank you, Mr. Speaker. I move for the passage of S. B. NO. 15-95 in reference to SEN. COMM. 15-236 on First and Final Reading.

The motion was seconded.

S. B. No. 15-95: A BILL FOR AN ACT TO AMEND PUBLIC LAW 9-1; AND FOR OTHER PURPOSES.

There was no discussion; the clerk called the roll on the motion to pass S. B. NO. 15-95 on First and Final Reading:

Rep. Martin B. Ada	yes
Rep. Edwin P. Aldan	excused (absent)
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	excused (absent)
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	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	excused (absent)
Rep. Oscar M. Babauta	yes

Speaker Babauta: By a vote of 15 yes, S. B. NO. 15-95 passes the House on First and Final Reading.

Floor Leader Pro Tem Lizama: Mr. Speaker, I now move for the passage of H. B. NO. 15-297 on First and Final Reading.

The motion was seconded.

H. B. No. 15-297: A BILL FOR AN ACT TO ESTABLISH THE OFFICE OF THE SPECIAL PROSECUTOR; AND FOR OTHER PURPOSES.

Speaker Babauta: Discussion on the motion to pass H. B. NO. 15-297.

There was no discussion and the clerk called the roll on the motion to pass H. B. NO. 15-297 on First and Final Reading:

Rep. Martin B. Ada	yes
Rep. Edwin P. Aldan	excused (absent)
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	excused (absent)
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	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	excused (absent)
Rep. Oscar M. Babauta	yes

Speaker Babauta: By a vote of 15 yes, H. B. NO. 15-297 passes the House on First and Final Reading. Members, for the record, we need to take a look at this seriously because Representative Tenorio raised a very legitimate concern with regards to funding. I guess we need reduce the FTEs to reserve funds for the Special Prosecutor's Office. Chairwoman Kaipat?

Rep. Kaipat: What about the two seats that were added?

Speaker Babauta: Election District 5 is subject to the availability of funds pursuant to the Vice Speaker. Seriously, Chairman Ogo, take note that once this is enacted into law you need to add it into the 2008 budget. Before we proceed, I would like to recognize the presence of our Acting Senate President Pete Reyes in the Gallery. Continue, Floor Leader Pro Tem Lizama.

Floor Leader Pro Tem Lizama moved for the passage of H. B. NO. 15-296 on First and Final Reading.

The motion was seconded.

H. B. No. 15-296: A BILL FOR AN ACT TO APPROPRIATE REVENUES FROM THE TOBACCO CONTROL FUND; AND FOR OTHER PURPOSES.

The Chair recognized Representative Tenorio under discussion.

Rep. Tenorio: Mr. Speaker, I would like to offer a floor amendment. This is a very important bill.

Speaker Babauta: Is that a written amendment?

Rep. Tenorio: An oral amendment, Mr. Speaker.

Speaker Babauta: You may proceed.

Rep. Tenorio: Thank you, Mr. Speaker. This is to provide assistance to the indigent under the LIHEAP (Low Income Home Energy Assistance Program). I do not believe that \$300,000.00 will go very far, Mr. Speaker, and I do not know whether there is a limitation on the budget, but I would like to increase the funding to a million dollars if that is agreeable to the members.

Rep. Seman: Mr. Speaker, I am very concern with this bill, because Public Law 13-38 is very specific that the 30% reserved from the monies collected from the Sin Tax will strictly be used towards funding programs, education and the Department of Public Health specifically for tobacco education and prevention matters. If you recall, Public Law 15-38 the governor line-item vetoed the bill to certain funded programs because it did not meet the specifics of the intent of the law, or how the Tobacco Control Fund is to be distributed. This bill is swaying away from that purpose. I believe the 30% collected annually is a little over a million dollars and we have the Diabetes Control Program that benefit from this for Saipan, Tinian, and Rota. The program is very aggressive in working towards preventing diabetes. Some of these monies also go to cancer programs. We recently appropriated money to purchase the Mobile Clinic; we also funded the youth learning centers for youth programs to educate the youth about the use of tobacco and alcohol within the respective youth center. I am concern with this bill in that even if we pass it, the governor may veto it because it is not within the scope of the real intent.

Speaker Babauta: Representative Seman, the Tobacco Master Settlement, is that different from this?

Rep. Seman: That is different.

Speaker Babauta: This is the Sin Tax.

Rep. Seman: Yes.

Speaker Babauta: I understand Public Law 13-38 earmarks certain percentages for various programs as you mentioned which includes monies for the schools for prevention programs.

Rep. Seman: Yes. Public Law 14-80 was the second round of appropriation, and then Public Law 15-65 reappropriated some of the monies from Public Law 14-80. Funds unappropriated at this time are probably monies collected for the 4th Quarter, which is basically not fully collected.

Rep. Tenorio: Mr. Speaker, do any of the existing statutes prohibit the use of the funds for anything other than the ones earmarked?

Speaker Babauta: Let me recognize the author of the statute Minority Leader Palacios.

Rep. Palacios: I co-authored the legislation together with Representatives Seman and Gloria Cabrera and we got taken shed on this. Mr. Speaker, I fully understand the concern of Representative Seman, but to answer Representative Tenorio's query, no, there is no prohibition when you have a notwithstanding clause in a legislation, it unlocks the prohibition or the earmarking provision of any statute. Let me try to justify why I am proposing this legislation. Presently we have over 400 to 500 recipients of the LIHEAP that is administered by the Department of Community and Cultural Affairs. We have only \$20,000.00 to assist these families. These are the lowest of the lower-income family bracket who are being assisted. These are families with fixed income, the elderly, families with health problems, families with young children with no income. Yes, indeed, the Tobacco Control Funds are intended for health related [end of Tape 2 side A]... [beginning of Tape 2 side B] ... low income families with four or five young children and individuals with physical disabilities. These are the basic recipients of the LIHEAP. What more health issue do we want when power is cut off from these people because they cannot afford the basic threshold of paying for power to run their refrigerators for food and milk. I think that the Tobacco Control Fund can afford some of these funds to at least assist and alleviate some of difficulties of our people who are really in a low income level or fixed income level. Yes I understand that we should use it for tobacco use prevention programs for our youth, public information youth programs and even within the Public School System (PSS). But the Tobacco Control Fund is only 30% of the Sin Tax revenue. What we get from the Tobacco Control Fund is 30%; we have the other 70% available in the General Fund of which most go to the Department of Public Health and the Public School System. It is for that particular issue in trying to find ways to help these 400 to 500 eligible LIHEAP recipients *sa' tinahung nui i \$20,000*. I talked with DCCA and even to the Lieutenant Governor's Office about this issue. They are in support of this type of a program to expand the financial capability of this program. I certainly understand the concerns because we have earmarked to certain programs from the very beginning. I think under the present circumstances, it would be appropriate to rethink some of these priorities and fit this program as one of the programs that needs to be funded under the Tobacco Control Fund. Thank you.

Rep. J. Deleon Guerrero: I would like to ask the author to reconsider. As much as I wholeheartedly agree that we should try to assist LIHEAP recipients, I think the source is the one I have a problem with. As Representative Seman mentioned these programs collect the funding on a quarterly basis. We have already earmarked funds to go towards specific programs. This funding that we appropriated will lapse at the end of this fiscal year. I would like to ask that we consider perhaps another funding source rather than using these funds. And if we are going to target these funds, then we should look at it holistically. Wait until the end of the fiscal year when we have to reappropriate again and look at everything that needs to be funded under this program and once we know if there is going to be a balance, then we can appropriate that. But to do so at this time would potentially compromise a lot of those programs, programs which I support. I cannot at this time support this bill. I would like to offer that we perhaps consider looking at our local appropriation. Every precinct and maybe as a senatorial district can contribute some of what we already appropriated under SLL 15-12 to pitch in to help. We have done that in the past to take care of things like the retroactive pay, and other different local needs. I think this can be one that we can use those funds for, but to touch funds that are earmarked to very critical and essential programs, I think is not a good idea. So if I can convince the author to reconsider to maybe having this on the Calendar and allowing us to work together to find an alternative source of funding. I will certainly work with him. Using the 30% of the Tobacco Control Fund is not something I am willing to support at this time. Thank you.

Speaker Babauta: In working harmoniously, I recognize Representative Dela Cruz.

Rep. Dela Cruz: Thank you, Mr. Speaker. I echo the sentiment of Representative Guerrero. While I do respect Representative Palacios, the Tobacco Control Fund is basically for health programs and to educate our people. LIHEAP is a different story. We all know that we have several legislations with the governor right now to assist our people with regards to the Commonwealth Utilities Corporation (CUC) matters; one of them being H. B. NO. 15-246, the rate reduction legislation. That will assist all residential customers of CUC. On top of that we have other relief bills; some are with the governor right now, some have passed and some have been vetoed and overridden. So I think we have been doing quite a lot to give relief to our people when it comes to power and water. Those are in the works right now. Hopefully the governor will be favorable. But, as far as the money coming from the Tobacco Control Fund I truly believe that we can find other sources to accommodate the low income families in our community. As I stated earlier, we have relief bills for CUC consumers and hopefully that would alleviate the hard times that our people are suffering, especially our low income people. Thank you very much, Mr. Speaker.

Vice Speaker Quitugua: Mr. Speaker, if we are going to leave this bill on the Calendar for future action, I would like to ask the members to look at Public Law 14-80. Public Law 14-80, I believe, is a continuous appropriation law that is why programs are continuously funded. Another funding source that we can probably take a look at is the Mayor's Office program, giving utility assistance to qualified CUC customers. We might have to find out how much the mayor is giving in addition to what DCCA is providing to the eligible recipients. Public Law 14-80 says to appropriate *all monies*. I do not know if the Minority Leader knows how much additional revenues are available after the programs are all funded under Public Law 14-80. I suggest that we look at that if we are going to entertain this.

Rep. Palacios: Mr. Speaker, I fully understand why we want to protect some of these projects that we funded under the Tobacco Control Program. I am not sure what the present level of funding is for everything. I suspect that the revenues derived from the Six Tax itself, the tobacco and liquor tax, perhaps as gone down just like every revenue source, but I would say this is probably one of the most stable revenue. The last I looked at it during the revised budget proceedings that we had, I believe we had three million dollars that we divvied up in this account: Some multi-year funding, some new programs, some reappropriated. In fact, we have been reappropriating from some of these programs because the programs never moved forward or that we have allowed the governor to reprogram out of. If you look at the preambles of the findings, there were 700 low income families, and it is now reduced to 400 to 500. Why is that?—It is not because all of a sudden these folks found good jobs and have now taken themselves out of the poverty bracket. They disappeared from the radar screen because they were cut off. Seven hundred recipients, Mr. Speaker. Seven hundred *na familia*. If there is a health issue really that we can qualify under all health issues it is the basic living requirement for this 700 households. This can and should qualify as a health issue. When you have children, when you have elderly, when you have handicapped individuals not having the most basic necessity as refrigerated food, we have problems in our community. This is a health issue. I think we can make the decision today, and I will respect my colleagues' decisions whichever way they decide on this particular issue. It is a straightforward legislation, no complication, Mr. Speaker. Thank you.

Rep. Taman: Mr. Speaker, I certainly respect the noble intention of the statute which created these revenues. I would also like to say that I sympathize with the intimacy of Representative Guerrero and Representative Seman to these health programs. But at this time we are caught in a situation where sometimes we sit down and try to find out which is more important or a priority at a time like this. Sometimes we even have to sit down and ask ourselves which comes first, the chicken or the egg. At this time, I wholeheartedly sympathize with our suffering community out there and perhaps as Representative Dela Cruz stated maybe those other measures that would help alleviate some of these problems will indeed come through, or maybe we can identify some other funding sources at a later time. I would like to urge our colleagues that we make that decision today, whether we temporarily suspend some of those programs to alleviate the needs of these suffering individuals who are in the low income bracket, senior citizens, and those with disabilities. Thank you very much, Mr. Speaker.

Rep. Kaipat: Mr. Speaker, I would like to ask for some clarification on the programs that my good colleagues from Election District 1 said that would be jeopardized, for one, and I also agree with Representative Palacios about our need to help our citizens who really need the help. This has become a health issue. I am hearing a compromise here to offer to look for other sources of funding assuming that we cannot take it from the Tobacco Control Fund. If I could get some clarification on the projects that we are talking about here, Mr. Speaker?

Speaker Babauta: I will allow Representative Guerrero or Representative Seman to respond.

Rep. Seman: Let me give you a brief history of Public Law 14-80. The intent is to appropriate \$450,000 to build a wellness center in Kagman and \$45,000 to expand the wellness center in San Roque. On top of that we appropriated \$70,000 to the various youth centers here in Saipan and \$10,000 each to two youth centers not under the umbrella of the DCCA. We also gave \$170,000 to the First and Second Senatorial Districts. When 14-80 was signed into law – the governor signed it into law because it was an important appropriation although he needed to reprogram those monies from the Tobacco Control Fund to bailout CUC during the Fourteenth Legislature. His message to the legislature was that he is signing the bill into law in hopes that the Department of Finance will reserve the future collection of the Tobacco Control Fund to fund programs listed under Public Law 14-80. The monies did not materialize until the collection started during the 1st Quarter of this fiscal year. I continued to monitor that funding and by 3rd Quarter was when the Department of Finance advised me that there was enough to fund those programs appropriated under Public Law 14-80. I turned around through the consultation of the Department of Public Health to reprogram the funding for the wellness centers to purchase the mobile clinic and to provide full funding for the Diabetes Prevention Control Program. The diabetes program was opened through funding provided by Public Law 13-58. Unfortunately when Public Law 14-80 was signed into law, it terminated funding to that program. So they were trying to find other ways to keep it open because of the need to continue the promotion of preventing diabetes here in the Commonwealth. So when I reappropriated funds from Public Law 14-80, which became Public Law 15-65, it provided for a little over a hundred forty thousand dollars to Diabetes Prevention Control Program (DPCP) and the \$250,000 to purchase the mobile clinic, at the same time provided funding for a community health specialist which we recently adopted a joint resolution to fill the FTE. The DPCP needs to be funded yearly and the Tobacco Control Fund is the only source that can keep that program open. I think you know that this program provides an aggressive campaign in Saipan, Tinian, and Rota. The purchase order for the mobile clinic has started moving and I believe the purchase of the mobile clinic will be made before the end of the fiscal year. Come Fiscal Year 2008 on October 1st some of these

monies appropriated to the youth learning centers will lapse because these funds were made available to these centers only two months ago, and I believe that they do not have the time to come up with ways to spend that money. So that is why Representative Joseph Deleon Guerrero is suggesting to wait until the new appropriation round in October and look at how much money has lapsed and how much is collected for the 4th Quarter and from there we have to make sure that we provide enough funding for DPCP and other prevention programs and from there we will probably find money available that we can give to other programs. I am reluctant to do any appropriation now because we do not even know how much will lapse or how much will be collected in the 4th Quarter.

Speaker Babauta: Let me recognize the Chairman of Ways and Means.

Rep. Ogo: Thank you, Mr. Speaker. I want to ask Representative Seman about the mobile clinic. How many mobile clinics will be purchased?

Rep. Seman: Only one mobile clinic will be purchased and that clinic will be able to serve the entire villages within the Third Senatorial District.

Rep. Ogo: So once that unit is purchased, that \$250,000 will eventually be available in the next fiscal year?

Rep. Seman: Yes.

Rep. Ogo: All we need now, Mr. Speaker, is \$50,000 to accommodate the \$300,000. We can hold this for now until such and it can be funded continuously.

The Chair recognized Representative Tenorio.

Rep. Tenorio: Thank you, Mr. Speaker, my colleague from Election District 2. Mr. Speaker, I think this question is a question of priority. We know that this program is ongoing, and with all due respect I support all these programs. They are all very important and they all concern health, the diabetes control, but, Mr. Speaker, what we have here is a crisis with the increase in the fuel and cost of energy for the residents. It is a crisis. I am really concern to see this number fall from 700 to 400. There appears to be families being out of the system because their utilities are probably disconnected. That is a very, very serious health problem, because it is not only for refrigerated food but as you know when they disconnect the utilities, the water service is included. It concern cleanliness, it is a very serious public health concern. I do not know which is more important to fight for between diabetes which has been going on for centuries here in the islands and people can control their disease by proper diet, exercise and medication, but, Mr. Speaker, you have no control once the power is disconnected. You either have to pay or you move. Maybe some people moved out of their houses because they no longer can afford to pay for utilities. This is a crisis that is not created over a period of time; it was just very recently when the price of fuel went up. We have to be mindful that this is something that this legislature has to address. We are addressing it in other areas by reducing the cost of kilowatt hours, but I think that cost of fuel will continue to rise and this will continue to be a problem. LIHEAP is a program for people who really need the assistance. These are indigent, and they have no way to support themselves. Mr. Speaker, I have seen cases where CUC would just go to residents of sick people and just disconnect their service. They go out and ask for assistance and cry for help. It is just terrible; there are not lights, power for refrigerators, and no water. What I am merely saying

is let us take a look at it and base your judgment whether you support the bill. I do not see any reason why we should wait for the next fiscal year to address this. It behooves everybody to take this very seriously because it involves the livelihood of people. If you are sick because you have diabetes, it was not just yesterday, but it was probably ten years ago. Like I said, there is a cure for that through exercise, diet, and proper medication. When it comes to CUC, Mr. Speaker, they do not look at you and say, well you are 65 years old, especially if you are also diabetic, and CUC just goes ahead and disconnect your power and water services. It makes things worst. We have to help these people. I think it is our responsibility to find ways to subsidize their cost of energy. The \$20,000 that is available to them and assistance from the Mayor's Office is like a scholarship program. There is so much inequity, Mr. Speaker, when the fund is insufficient because it makes setting our priority very difficult. I think it is important and that \$200,000 is not too much. I know I was about to make a motion to increase it to a million dollars but if that is unreasonable, I will settle for the \$200,000. Seriously, Mr. Speaker, the point that I am trying to drive across is there is a serious need to address this issue and try to help these people who need the subsidy. With this kind of thing, you do not wait. It is something that has become a crisis and a serious one at that and I think we have to address it now.

Speaker Babauta: For clarification, Chairman Dela Cruz, do have an idea of what is the policy of the LIHEAP? Is there a standard amount issued to each recipient?

Rep. Dela Cruz: To be honest, I am not aware, Mr. Speaker. I was going to pose a question to Representative Seman or Representative Deleon Guerrero, but I can find that out.

Speaker Babauta: There is also a program at the Office of the Mayor of Saipan, but maybe that is upon availability of funds. Let me recognize the Vice Speaker.

Vice Speaker Quitugua: I would like to offer minor amendments to the bill, Mr. Speaker.

Speaker Babauta: Proceed.

Vice Speaker Quitugua: On page 2 line 11, after the words "the sum of" insert "up to", and on page 3 line 17 on Section 5 to read: "This Act shall take effect October 1, 2007, upon its approval by the Governor, or its becoming law without such approval." I so move.

Vice Speaker Quitugua's amendment reads in part on page 2 line 11:

"§ 2802. Appropriation. Notwithstanding the limitations in 3 CMC §2177(a) through (d), there is hereby appropriated annually the sum of up to three hundred thousand dollars (\$300,000) from revenues collected pursuant to 3 CMC §2177 to the Utility Assistance Account as created by §2801 of this chapter. Funds shall be continuously appropriated without further action of the Legislature. The first appropriation shall be pro-rated and shall occur on the effective date of this Act, with subsequent annual appropriations occurring on October 1st of each fiscal year. Funds remaining in the UAA at the close of each fiscal year shall become part of the account. Interest earned on the UAA shall become part of the account."

On page 3 line 17:

"Section 5. Effective date. This Act shall take effect October 1, 2007, upon its approval by the Governor, or its becoming law without such approval."

The motion to amend was seconded. There was no discussion and the motion to amend H. B. NO. 15-296 as offered by Vice Speaker Quitugua was carried by voice vote.

Speaker Babauta: The motion is carried. We continue to discuss H. B. NO. 15-296, House Draft 1. I recognize Representative Ada.

Rep. Ada: Thank you, Mr. Speaker. Just to offer my two cents again this afternoon. It is four cents already. I had two cents this morning. Mr. Speaker, at a time when everyone is suffering is the time to heed to our people in need. In this situation, those who are suffering the most are those who are at the lowest strata of the income bracket. This group should always be the front of our rescue list. How many times do we have to remind ourselves that the state of the economy is going down fast; let us not turn our heads the other way and let us help our people in times of impending surcharge crisis. The equation: no power + no refrigeration for food, beverage, and medicine = health hazards. Thank you.

Rep. J. Deleon Guerrero: I was just going to say that I wholeheartedly support the intent of the bill, believe me. I do not think any one of us has not heard the pain from the public. I am only saying that we exercise caution when we are reappropriating funds going to specific programs. We are being asked to consider which is the most priority. I was going to say that there are many other funding sources that we can tap. I am torn because I earlier asked if we can look at other funding sources rather than jeopardize these programs and it appears that we are put in a position to choose between LIHEAP and health and I do not think that is fair. They are both important. I think with a little bit of work, we can find a source that will not impact these programs. The amendment made by the Vice Speaker is tolerable at best. It allows for funding of up to \$300,000 and I am hoping that when there are lapse funds from Fiscal Year 2007 and we embark on a new legislation to appropriate funds from the Tobacco Control Fund that we do give priority for those programs and if there is any balance that we can fund the LIHEAP. Just for your information, the amendment of the effective date of October 1, 2007, in reality what happens is a new collection will be made after that fiscal year and it will probably be three months or a quarter after October 1st when they will actually collect the funds for this appropriation to take effect. So sometime in January is when there would be money to appropriate. So I would like the sponsor of the amendment to know that. I do not want us to go towards a vote and potentially have the possibility that this bill would be defeated because this is such an important program. I would rather that we reconsider and leave it on the Calendar and look for an alternative source of funding so that it can still go through. But if it is the consensus of the members that we act now, then so be it. Thank you, Mr. Speaker.

Speaker Babauta: We had a very eloquent afternoon. I recognize Representative Kaipat.

Rep. Kaipat: Mr. Speaker, this is like having to choose which of your kids you would feed. Both I believe are equally important. I recall that we met with our Senate counterparts and discussed the budget and I remember that Representative Seman was very passionate about saving this mobile clinic. I am sure that a lot of effort was put in to arranging the purchase of this mobile clinic and establishing these programs. I cannot say that I would put somebody whose life is in jeopardy with the diabetes that is killing our community to be any less important than somebody who needs power services. I really believe that they are all equally deserving and I really do not want us to defeat this bill. I would like us to work together to find a source of funding that would accommodate both. I appeal to my colleagues to at least consider and to the Minority Leader, the author of this bill, to give us a chance to work on this so that we can accommodate both without

having to choose one or the other. I do like this bill and I support the intent. I also feel that all these other programs that have been ongoing for a while are just as important. We all feel the pressure to help our people who are out there, the indigents who are crying for electricity and help. That is why it behooves all of us to continue to work together to find a compromise, a good solution and to work on it expeditiously.

Rep. Palacios: Mr. Speaker, the amendment that the Vice Speaker made would provide the funding for these programs. It will not jeopardize the mobile clinic, because that is already obligated. This program will begin getting funded in Fiscal Year 2008. It will not jeopardize the other programs that have already been funded. It will not take away funds. This is a new program that will start in the next fiscal year. The other programs in Public Law 14-80 that have been funded and continues to be funded will continue.

Speaker Babauta: Correct, the amendment made by the Vice Speaker on the Effective Date will be on the Fiscal Year 2008 Budget.

Vice Speaker Quitugua: Mr. Speaker, after looking at Public Law 14-80, I now believe that this bill as amended is not going to jeopardize any of the programs funded under Public Law 14-80 because it is not amending any of the sections. Under Public Law 14-80 it specifically states that the appropriation is not subject to fiscal year limitation, meaning it will continue to carry. I believe that there will probably be additional funds collected after all these programs have been allotted. The amendment up to \$300,000 will provide for that flexibility and if only \$200,000 is available after the other programs have been funded, then that would be the amount that will be set aside by the Department of Finance. I am looking at § 2802 and it is not amending any section of Public Law 14-80. The only problem here is if the governor does not agree with the word “notwithstanding” because Public Law 13-38 is specifically mentions how 30% of the money reserved is to be used.

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

Speaker Babauta: State your point, Representative Seman.

Rep. Seman: We also need to bear in mind that Public Law 15-71 gave the governor full reprogramming authority on the monies collected under the Tobacco Control Fund, including Public Law 14-80 with the exception of Public Law 15-65. So we do not even know if those collected and reserved to fulfill the needs of Public Law 14-80 are still there. Come October 1st if the governor had reprogrammed those monies, then there will be practically zero funding there because what I know is that the programs funded under Public Law 15-65 are working towards zeroing that before the end of the fiscal year. They are aggressively finding ways to use up the money so that the intent is fulfilled. So when we go into FY '08 we may have to wait three whole months to collect, if the governor in fact reprogrammed those monies this fiscal year.

Speaker Babauta: That is the reason why the program is applied prospectively; in essence the program will be funded the first quarter of the new fiscal year. So whether or not the collection will be sufficient to cover § 2177(a) thru (d) including the \$300,000 for the LIHEAP that we do not know. Representative Seman raised a good concern (*end of Tape 2 side B*) ...

(*Beginning of Tape 3 side A*)

Vice Speaker Quitugua: ...the governor cannot reprogram locally appropriated funds.

Speaker Babauta: As identified on the appendix.

Vice Speaker Quitugua: There is a language and even if the appendix was attached, there is a provision that prohibits the governor from reprogramming those funds. I just found out last week that the Public School System finally got their entire allotment from the Department of Finance. So that means that the money was not reprogrammed by the governor.

Rep. J. Deleon Guerrero: Mr. Speaker, what bothers me the most here about what we are trying to do is the precedent that it will set. This funding source has been available since the Thirteenth Legislature, yet for very specific reason to a point where I believe as Representative Seman mentioned the governor vetoed some appropriations which was intended for other purposes. Because of the importance of its intent, it was vetoed at one time. Here we are, what bothers me is if we can open the door and say that we can use these funds for other purposes however important they may be aside from the original intent, we opening up brown's box so that tomorrow if we need funds for whatever we think it is needed for, this would be the first source we would go to because it is there. That is my worry. For three legislatures we have protected the intent and the integrity of these funds to be used for the purposes for which it was intended and now we are veering away from that. *Etyo ma'añao-hu i para mo'na an ma nisisita salape para hafa, estague siempre ma sakrifisia. Enague na'mañaoña este na aksion pago.*

Speaker Babauta: Let me call for a brief recess.

The House recessed at 3:50 p.m.

RECESS

The House reconvened at 4:02 p.m.

Speaker Babauta: We are back to plenary session. I recognize the Vice Speaker.

Vice Speaker Quitugua: After the programs under Public Law 14-80 have been allocated, there is enough funding to pass this bill.

Rep. Taman: Mr. Speaker, I really enjoyed the discussion. It has been very healthy. I believe we practically covered all necessary areas and all concerns are voiced and qualified. Mr. Speaker, I move end debate so we can move forward.

The motion was seconded.

Speaker Babauta: The motion is undebatable, so we will be disposing of the main motion. Clerk, call the roll the motion to pass H. B. NO. 15-296, HD1.

The clerk called the roll on the motion to pass H. B. NO. 15-296, HD1 on First and Final Reading:

Rep. Martin B. Ada	yes
Rep. Edwin P. Aldan	excused (absent)
Rep. Francisco S. Dela Cruz	yes

Rep. Florencio T. Deleon Guerrero excused (absent)

(Rep. J. Deleon Guerrero: Mr. Speaker, I would like to make a short statement before I cast my vote that I will support this bill because of the need to help our people under LIHEAP. But I also want to register my strong word of caution to the members that this will not be as slush fund for any future appropriation needs and I will vigorously oppose any action to appropriate funds from the Tobacco Control Fund. So with that and with the assurance of the Vice Speaker that there are sufficient funds, I will cast my vote yes, with reservations)

Rep. Joseph P. Deleon Guerrero yes

(Rep. Kaipat: Mr. Speaker, if I may, I do share the same reservations with what my colleague Representative Guerrero had stated. And given the assurances from the Minority Leader earlier and the Vice Speaker, and of course I do support this bill and I am not going to vote against it, my vote is yes; but I also want to express my strong support for the programs and are in existence and I want to make sure they continue beyond the appropriation for this particular bill. Thank you.)

Rep. Jacinta M. Kaipat yes

Rep. Jesus SN. Lizama yes

Rep. Crispin M. Ogo yes

Rep. Arnold I. Palacios yes

(Vice Speaker Quitugua: Mr. Speaker, this bill is very important and I am supporting it primarily because of the health problems. The lack of power and water services to the homes of the LIHEAP recipients and whatever health problems that might come about as a result of the lack of those services to the members of these families.)

Rep. Justo S. Quitugua yes

Rep. Benjamin B. Seman yes

(Rep. Taman: Mr. Speaker, *hu gof kumprende i sentimenton Congressman Deleon Guerrero yan Congressman Seman pot bandan hinemlo yan todo i pumalu lakkue ni man sentimenton kontra este na issue. Ya hu na baihu share na guaha lakkue iyoku constituent gi Election District 4 na diabetic, ma utut adengña, ma dialysis, ya ninana'yi lakkue chetnot guha ya ha kakatga ha i iyoña oxygen. Matto i taotao guato gi gima'hu ya mamamaisen dangkulu na ayudo sa' ma utut kandetña. Recipient lakkue gi LIHEAP ya layiyi rason na muna'mamadadesi i kilisyanu i pot i tinahung fundu gi LIHEAP ni para u kubre todo este siha na los probes. Baihu bota hunggan, si Yu'us Ma'ase.*)

Rep. Candido B. Taman yes

Rep. Ramon A. Tebuteb yes

(Rep. Tenorio: Mr. Speaker, *todo hit ha' kumonprende este i issue pot public health, achuka diabetes pat bandan sanitation pot taya hanom. Prublema enao todo ya todo hit ha sumupopotta i intension para ta kurihi enao siha mo'na. Mas yo' ha nae assurance i Vice Speaker nui i iyoña finding na ti u afekta i programan diabetes yan i famaguon yan i eskuela pot i bandan chupa. Etyo na rason na i botu hu, hunggan. Si Yu'us Ma'ase.*

Rep. Manuel A. Tenorio yes

Rep. Stanley T. Torres yes

(Rep. Waki: Mr. Speaker, my vote is yes, with reservation, due to the funding source.

Rep. Absalon V. Waki, Jr. yes

Rep. Ray N. Yumul excused (absent)

Rep. Oscar M. Babauta yes

Speaker Babauta: By a vote of 15 yes, H. B. NO. 15-296, HD1 passes the House on First and Final Reading. Floor Leader.

Floor Leader Pro Tem Lizama: Mr. Speaker, I move for the passage of H. B. NO. 15-232 on First and final Reading.

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: I now recognize the author.

Rep. Palacios: Mr. Speaker, I would like to offer a substitute bill in the form of H. B. NO. 15-232, House Substitute 1. I believe the substitute has been passed out.

The motion to substitute H. B. NO. 15-232 was seconded.

Speaker Babauta: Discussion on the House Substitute 1 offered by the Minority Leader.

Rep. Palacios: Mr. Speaker, the difference between the original legislation and the substitute is that it does allow for a transition period of those who are basically in violation of the statute not necessarily through their own action but through the action of our agencies for giving them licenses already. So they would have this transition period to be in compliance.

Speaker Babauta: I recognize Representative Dela Cruz.

Rep. Dela Cruz: Mr. Speaker, I was going to ask what is the gist of the substitute, so thank you Mr. Minority Leader.

Rep. Tenorio: Mr. Speaker, if you recall earlier today, I requested for the legal opinion of the Attorney General. Is there actually a written legal opinion or just the article in the newspaper?

Speaker Babauta: This morning I asked that we allow the Vice Speaker to procure that document if there is such; but more or less the Attorney General is just informing the individuals in general presently engaged in business outside the parameters of the law.

Rep. Kaipat: Mr. Speaker, as I said earlier this morning, under our current statute anyone who arrives in the Commonwealth before July 28, 1987 can have a business interest here in the Commonwealth. Anyone who arrives after that date is not allowed to have a financial interest in a business. From what I understand, all the Attorney General did was to come out and inform the public of this law already in the books. What this particular bill is doing is to put in a transition period to allow those who are operating a business illegally to transition into the actual status of being lawful investors as opposed to those who are here as nonresident workers operating businesses who arrived after July 28, 1987. Again, I just want to say that this particular provision is also included in H. B. NO. 15-38. I am very optimistic that our colleagues in the Senate will act quickly on H. B. NO. 15-38 so that we will have this incorporated instead of having a separate bill in itself. If that does not happen then at least we have this as a backup. I hope that clarifies things.

Rep. Waki: Mr. Speaker, I have some serious issues about the transition period because first of, I understand if we had given them a business license that may have been a mistake on our part. But when we try to enforce our own laws, there is a time period between when the business license was issued and its expiration. Knowing that they may be illegally holding a business license, I can not understand why would give them two years to comply with the law that is very explicit. Two years is like two business licenses later. If you have the business, it does not say

you will not be renewed but you must comply within two years. If you break the law, you break the law. It is unfortunate that our laws are not being enforced but when we do enforce them, we would like to make sure that it is plain and clear that you knew you broke the law. We may not find you or arrest you, but we will not renew your business license. I think that should be the action that we should take. To give anybody an opportunity of a break period to try to comply, we have people circumventing the laws already. It says real explicitly that “no person may obtain a financial interest in, operate, or engage in”. Now if they are doing business and they are not employees of our own local people but they are running business for the individual who has the business license then that is an illegal act, even if they are working for somebody else. I just do not believe we should give them a transition period to allow them to fit back within the law. Two years seems like a lengthy amount of time for someone to say, okay you let me go and you would not harm me just because I broke the law, so let me go for now and I will figure out how am I going to fit within the law. I think if we just say, we go back to a certain period of time and if you do not fit this statute you will not get a business license. If you have it now, be happy, but when it comes time to renew and you do not fit within this law you will not get a business license. I think that should be very clear. Thank you, Mr. Speaker.

Speaker Babauta: I assume that the transition provision is to allow what is required under the Administrative Procedure Act that grants due process for negligible civil actions that occur between the government and any private individual. We live in a democratic society that allows a person, legal or illegal, due process of law. The purpose is to be in compliance. If you close your business within the first 13 months of 15 months of the effective date if you wish to contest this that you have due process accorded to civil matters appearing before the CNMI. I think two years is legitimate.

Rep. Tenorio: Mr. Speaker, what is under Chapter 8, Division 5 of Title 4?

Speaker Babauta: Commerce.

Rep. Tenorio: Does that deal with foreign investment?

Speaker Babauta: Exactly.

Rep. Tenorio: There will be a fiscal impact if they convert to foreign investment under the statute.

Speaker Babauta: May I ask the indulgence of the House to just pass this on First Reading and take it up at the next session. It is almost 4:30 and we have to release our Bureau staff.

There was no objection.

Rep. Palacios: Mr. Speaker, let me try to shed some light. Actually it was the legal counsel and Representative Kaipat who alerted me about the issue. We must be mindful that our government is partly to blame for issuing these licenses, and at the same time issuing two-year labor permits. So we are giving them a chance to choose which one they would rather have: to be a nonresident worker and continue to be employed and give up their business, or give up their work permit and be a foreign investor. So it is that transition period. It is not a matter of letting them go and giving them a long transition period, it is because sometimes we issue two-year permits. We have been issuing two-year work permits.

Rep. Kaipat: Mr. Speaker, if I may, during the transition period we are taking out those who are operating businesses out of the Nonresident Workers Act and putting them in where they belong, which is as investors. They should not be using the Nonresident Workers Act to be employers. If they are going to be business people then they have to be judged and issued business licenses based on the actual requirements not to take any shortcut to come in as an employee and operating a side business as an employer. That is what this is trying to do. Thank you.

Rep. Tenorio: Mr. Speaker, how would this impact the immigration status of that individual if he has to be here for another year? Would there be an impact on the immigration status?

Rep. Kaipat: Obviously, they would have to change their status because investors and contract workers have a different status. They are not the same; it cannot be both.

Rep. Tenorio: I am referring to the federalization issue now that we are faced with it. Does that have an impact? I want to be assured because if he is here for another two years -- and Representative Waki has a good concern.

Rep. Kaipat: What the federal government does is up to them, but we are talking about our own laws here. This is the actual intent – to remove those who enter the Commonwealth as workers who are operating businesses away from taking them out of the Nonresident Workers Act and saying that if you come here and you want to own a business then you should be an investor, come through and be qualified based on the qualifications that everyone else is being judged by. Pay your money, invest. A lot of the problems that I saw when I was at the Department of Labor is that you have somebody who is supposed to be an employee who actually is the boss. There is a lot of side immigration coming in that way, or through sponsorships and this is how sponsorships flourish. We had asked the Department of Commerce to make sure that they screen the people who are applying for businesses and they were citing their lack of manpower. As I said, it is very easy to circumvent our laws by just allowing workers who are coming in and getting by with getting into businesses this way. So we are taking them out. If you want to be an investor, you will be judged by the same criteria as everyone else, come up with your capital and be issued a business license that way. Thank you.

Speaker Babauta: Okay, it is with the understanding of the members that is passed on First Reading only as H. B. NO. 15-232, House Substitute 1.

The motion to pass H. B. NO. 15-232, HS1 on First Reading was seconded and carried by voice vote.

MISCELLANEOUS BUSINESS

None

ANNOUNCEMENT

None

ADJOURNMENT

Floor Leader Pro Tem Lizama: Mr. Speaker, I move to recess subject to the Call of the Chair.

The motion was seconded and carried by voice vote.

The House adjourned at 4:31 p.m., subject to the Call of the Chair.

Respectfully submitted,

Victoria T. Guerrero, Journal Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

FIRST APPEARANCE: NONE

SECOND APPEARANCE

H. L. B. NO. 15-71: To amend Section 2(c) of Saipan Local Law No. 15-12; and for other purposes. (Rep. Jacinta M. Kaipat)

THIRD APPEARANCE:

H. L. B. NO. 15-69: To amend Section 2(d)(1) of Saipan Local Law 15-12; and for other purposes. (Rep. Oscar M. Babauta)

H. L. B. NO. 15-70: To amend Tinian Local Law 15-3; and for other purposes. (Rep. Edwin P. Aldan)