



House Journal
FIRST SPECIAL SESSION, 2008

Adopted:
October 16, 2008

First Day

Wednesday, April 2, 2008

The House of Representatives of the Sixteenth Northern Marianas Commonwealth Legislature convened its First Day, First Special Session on Wednesday, April 2, 2008, at 9:18 a.m. in the House Chamber on Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Arnold I. Palacios, Speaker of the House, presided.

A moment of silence was observed.

The Clerk called the roll and eighteen members; Representatives Edwin P. Aldan and Diego T. Benavente were absent and excused.

Speaker Palacios: Representative Babauta, please state your privilege.

Representative Babauta: Thank you. I would like to inform the Chair and the clerk that Representative Aldan will be coming in late and I offer to authorize the Chair if he does not arrive at 10:30 to mark him as absent, unexcused.

Speaker Palacios: Representative Aldan just called and informed me that he is on his way. We have established a quorum. And for the record, Representative Benavente called in and asked to be excused for this morning's session. He has a medical appointment.

ADOPTION OF JOURNALS

NONE

INTRODUCTION OF BILLS

H. B. NO. 16-80: A Bill for an Act to amend 1 CMC § 2553(k) to provide for a three percent (3%) simple interest rate for outstanding obligations of the Commonwealth, to amend 3 CMC § 4101 to enact a rule governing the award of prejudgment and post judgment interest against the Commonwealth, to codify a policy concerning the payment of tax rebates without penalties and interest, and to amend 7 CMC § 2205 regarding the sovereign immunity of the Commonwealth in the payment of money judgments, and for other purposes.

Offered by: Representative Rosemond B. Santos and one other

Referred to: Committee on Ways and Means

H. B. NO. 16-81: A Bill for an Act to amend 1 CMC § 8347, and for other purposes.

Offered by: Representative Joseph C. Reyes

Representative Reyes: Mr. Speaker, if there is no objection from the floor, I would like to have H. B. NO. 16-82 placed on the Bill Calendar.

Speaker Arnold Palacios: Without objection, we will consider that when we get to the Bill Calendar.

H. B. NO. 16-82: To amend 6 CMC, Article 2, to authorize the operation of Video Lottery Terminal (VLT's) devices, video poker and other video slot and similar machines; to authorize the operation of Texas Hold'em and other limited card games, within the third senatorial district; to amend 4CMC, Chapter 5, to impose a new gaming tax; to require the payment of new license fees for the new entertainment activities; to provide for the licensing of poker machines on a calendar year basis; to require the installation of central computerized monitoring system for all video amusement and similar machines; and for other purposes.

Offered by: Representative Oscar M. Babauta and two others

INTRODUCTION OF RESOLUTIONS

H. R. NO. 16-9: A House Resolution to amend House Resolution 16-1 to provide the people of the Commonwealth full and fair notice of the sessions and committee meetings of the House of Representatives and access to the public records of the Commonwealth Legislature.

Offered by: Representative Christina M. Sablan

Representative Sablan: If there is no objection, Mr. Speaker, pursuant to Rule IX, Section 8, I would like to request that this be placed on the calendar.

Floor Leader Camacho objected.

Speaker Palacios: Floor Leader, state your objection.

Floor Leader Camacho: Respectfully, Mr. Speaker, there is an Ad Hoc Committee on the House Rules in place and I ask if we can refer this resolution so that it can be addressed more carefully.

Speaker Palacios: Representative Sablan, recognized.

Representative Sablan: Well, I understand, and correct me if I am wrong, but it is within your authority to place a resolution directly on the calendar without referring it to committee and I respectfully ask for your indulgence.

Speaker Palacios: Let me just hear from the others who have an objection. I recognize the Vice Speaker.

Vice Speaker Deleon Guerrero: Mr. Speaker, there is an Ad Hoc Committee and it is currently in the process of reviewing our House Rules. And I also have some concerns, but rather than make amendments through a resolution, I sent my comments directly to the Ad Hoc Committee and asked them that they consider those comments. So, on one hand the Ad Hoc Committee has not even completed with the review of the House Rules and here we are allowing for another mechanism to amend the House Rules before it is even out of the Ad Hoc Committee.

Speaker Palacios: Thank you, Vice Speaker Deleon Guerrero, I see your point. Representative Sablan, if you do not have any objection I am going to order that the Chairman of the Ad Hoc Committee take this resolution as well as comments and recommendations from other members and

incorporate it into the work that the committee is doing on the Rules of the House., Floor Leader, I will ask that your committee report back to the House on the Rules in the next two sessions.

Floor Leader Camacho: Mr. Speaker, respectfully, we may have a session tomorrow and I am not sure if we are going to have a session next week. Because the Ad Hoc Committee is made up of other members and we do not have a specific date to meet as we try to fit where we can when other committees are not convening to meet. We will report as soon as we can. That is the best timeline I can give.

Speaker Palacios: Representative Sablan.

Representative Sablan: Thank you Mr. Speaker. I would just like to note that I did furnish a copy of the proposed amendments to the Rules to the Floor Leader who is also the Chairman of the Ad Hoc Committee. And if I could just clarify, I believe you appointed the Ad Hoc Committee some weeks ago, so I am wondering when the Ad Hoc Committee would then expire and supposed to submit its review of the Rules – when is the deadline for that?

Speaker Palacios: I will ask that the Ad Hoc committee finalize the Rules and put it on the floor for adoption. Is two weeks or three weeks enough, Floor Leader?

Floor Leader Camacho Mr. Speaker, respectfully, can I ask for thirty days at least to give some kind of report to the body. We will report back in thirty days.

Speaker Palacios: I will order that the resolution be referred to the Ad Hoc Committee on Rules and that you will report back and have a finalized version of the House Rules to be adopted in thirty days. Is that alright with everybody? Representative Hofschneider, recognized.

Representative Hofschneider: This question is directed to the Floor Leader. If I am not mistaken, and I stand corrected on the interim rules, it states that after ninety days of the adoption of the Interim Rules, it becomes the permanent Rules.

Floor Leader Camacho That is correct, Representative Hofschneider, I believe it is actually sixty days, which was a few weeks back, but we will give it the attention it deserves, Mr. Speaker.

Speaker Palacios: Representative Sablan.

Representative Sablan: Just for the record when should we be expecting a report, and can I also request that the report will make reference to the amendments I am proposing with this resolution?

Floor Leader Camacho Mr. Speaker, the committee will meet and take everybody's consideration and we will make some kind of report to the body.

Speaker Palacios: I order you to do that. Thank you. Are there any more resolutions? Representative Babauta.

Representative Babauta: Thank you, Mr. Speaker. I have a numbered House Resolution 16-10 entitled "Supporting Taiwan's participation as an observer at the 61st Annual Meeting of the World Health Assembly in Geneva in May 2008", sponsored by myself and several others, and I welcome

members who wish to co-sponsor, thank you. Mr. Speaker, if there is no objection from the members can we address this in today's Resolution Calendar.

Several members voiced no objection; Representative Sablan voiced objection.

H. R. NO. 16-10: A House Resolution supporting Taiwan's participation as an observer at the 61st Annual Meeting of the World Health Assembly in Geneva in May 2008.

Offered by: Representative Oscar M. Babauta

Speaker Palacios: Representative Sablan.

Representative Sablan: Thank you. I am just concerned that we will be taking up a resolution that involves the foreign heads of state without having had a chance to read this resolution prior to this session. I would like to respectfully request that we get a copy of the resolution and then have a chance to properly review it before we place it on the calendar. Thank you.

Speaker Palacios: Thank you. I will give you at least a session to review the resolution. Is that alright with you Representative Babauta?

Representative Babauta: I have no problem, Mr. Speaker.

Speaker Palacios: Thank you for your consideration. Representative Salas.

Representative Salas: Thank you Mr. Speaker. I do have an unnumbered House Resolution, to recognize and commend Mr. and Mrs. Vicente Villagomez Torres, for their dedication and sacrifice in prioritizing the education of their children and their contributions to the people of the Commonwealth. If there is no objection on the floor I would like to place this as a committee of the whole and also to calendar for today.

There was no objection on the floor.

Speaker Palacios: There being no objection we will place that on today's calendar, and please have that resolution numbered.

H. R. NO. 16-11: A House Resolution to recognize and commend Mr. and Mrs. Vicente Villagomez Torres, for their dedication and sacrifice in prioritizing the education of their children and their contributions to the people of the Commonwealth.

Offered by: Representative Edward T. Salas and nineteen others

(Representative Aldan took his seat in the Chamber at 9:30 a.m.)

Representative Aldan: Privilege, Mr. Speaker, I apologize for being late, please have the clerk reflect on the record that I am now present. Thank you.

Speaker Palacios: You are duly marked as present. Are there anymore resolution?

H. R. No. 16-12: A House Resolution requesting the CNMI Zoning Agency to change the present zoning classification of Lot No. H301 from "Rural" to "Mixed Commercial" for the

purposes of developing and constructing a moderate-sized and complete grocery store in the village of Kagman.

Offered by: Representative Ray N. Yumul

Representative Yumul: Mr. Speaker, if there is no objection I would like to place this on calendar for today's action and I encourage every member to sign.

Speaker Palacios: Is there any objection? Representative Tebuteb.

Representative Tebuteb: Yes I have an objection. There are things that are going on that particular issue. It is in the process of being addressed.

Speaker Palacios: I will therefore order that the resolution will be held on for the next session until the members have had the opportunity to read the resolution. Thank you.

MESSAGES FROM THE GOVERNOR

GOV. COMM. 16-63: (3/28/08) Informing the House that he signed into law H. L. B. NO. 16-4 (Appropriating \$98,000 to fund the Tinian Municipal Scholarship Program). [Became *Tinian Local Law 16-1*]

GOV. COMM. 16-64: (3/26/08) Informing the House that he signed into law H. L. B. NO. 16-6, D1 (Appropriating \$149,000 for various projects and programs in the First Senatorial District). [Became *Rota Local Law 16-1*]

GOV. COMM. 16-65: (3/25/08) Certification for a vacant position at the Division of Customs, Department of Finance.

GOV. COMM. 16-66: (3/25/08) Certification for a vacant position at the Department of Public Health, and salary cap waiver for Dr. Joel R. Smith.

GOV. COMM. 16-67: (3/25/08) Certification for a vacant position at the Superior Court.

GOV. COMM. 16-68: (3/25/08) Certification for a vacant position at the Department Community and Cultural Affairs.

GOV. COMM. 16-69: (3/25/08) Certification for vacant positions at the Department of Public Health, and salary cap waiver for Dr. Satyanarayana Chekuri and Dr. Elizabeth Lundeen.

GOV. COMM. 16-70: (3/26/08) Certification for a vacant position at the Office of the Attorney General.

GOV. COMM. 16-71: (3/31/08) Seeking the Legislature's support and assistance with regards to the CNMI budget and making several recommendations to address the budget problems and resolve some financial challenges.

Gov. COMM. 16-72: (3/26/08) Extending the Declaration of Emergency for the island of Anatahan.

Speaker Palacios: Representative Hofschneider.

Representative Hofschneider: Thank you, Mr. Speaker. Under Gov. COMM. 16-71, the Governor is seeking for specific measures of austerity to achieve in his words, solvency of the government in difficult economic environment that we are facing today. The first question, Mr. Speaker, is there legislation ready for this?

Speaker Palacios: No. There is one being considered in a draft form, but the legislation is not ready and certainly when the legislation is ready to be introduced, all members will be advised of it.

Representative Hofschneider: I am remised, Mr. Speaker, to read the letter and there is no specific goal other than to sustain the current personnel costs. And I know we all know that reprogramming have been going on to subsidize the fuel for CUC (Commonwealth Utilities Corporation). And, Mr. Speaker, this, is in my opinion, is a continued denial in terms of the current situation that we are in. We argued here for weeks, months, on what is the actual CNMI revenue. We passed a budget at \$163 million and the governor sent us a \$160 million level. If you add all the components that he is seeking for the four specific requests including the reduction in employer contribution from 18% to 11%, that amounts to over \$20 million in a single fiscal year. So, if you take the \$160 million that he sent over and you minus the anticipated personnel costs and operations after you remove the debt service of bonds or loan obligations, the reality of the resources is really \$149 million. It is the stretch of the imagination to think that this proposed austerity would generate an increase in revenue. It is the same analogy as if I give you a five dollar bill and you hold it in your hands. And I ask you -- how much do you have in your hand? You would say five dollars, because I gave you a five dollar bill, but I continue to tell you that it is seven dollars. It is a creative way of stretching the resources, but at the end of the day the total revenue is still limited to the real cash on hand and that is operating under \$149 million. Mr. Speaker, there is in the Planning and Budgeting Act another means of forcing the truth and owning up to reality and that is, under PL 3-68, the impound power or authority of the Governor should be recommended rather than the austerity itself. Thank you.

Speaker Palacios: Thank you. Are there anymore comments under Governor's Communications? Vice Speaker.

Vice Speaker Deleon Guerrero: Thank you, Mr. Speaker. I want to comment on what is not under the Governor's Communications. I did not see any reference to the Governor's submission of the FY 2009 budget submission due on April 1st, which was yesterday, and perhaps it did not make it on the agenda but I just wanted to ask you, Mr. Speaker, was the budget for FY 2009 transmitted to the House as of yesterday?

Speaker Palacios: For the record, I was here until past five o'clock and did I not receive the budget transmittal from the Governor.

Vice Speaker Deleon Guerrero: Mr. Speaker, can I then suggest that the House write to the Governor and remind the Governor which I believe you have reminded him informally, but can you send a formal notice to him now that the date has passed. I do not know we need to remind him that his

reprogramming authority will be suspended until such time or I believe eleven days after he has submits it according to the Planning and Budgeting Act. Thank you.

Speaker Palacios: Thank you, and I will certainly take that into consideration and before the end of the day I will send a formal letter to the Governor. Representative Quitugua.

Representative Quitugua: Under GOV. COMM. 16-71, with regard to the second recommendation from the Governor, the austerity measures that were done during the 15th Legislature were estimated that the savings would be \$30 million. However, when the austerity law was enacted, towards the end, the government was still in deficit because the \$30 million was not realized as projected due to factors of many exemptions. Mr. Speaker, if you have not received the proposed budget for 2009, I would like to request that the Governor submits the analysis of the austerity holiday savings that would have an impact on the government funds. Also, Mr. Speaker, on the fourth recommendation, if you would request the Governor to provide us the most up to date list of revenues outside source of the general fund that are readily available for reprogramming. I am afraid, Mr. Speaker, that some of these outside source funds have been obligated or expended and it might not balance the previous listing that was provided to the Ways and Means Committee of the House. Mr. Speaker, I am also afraid that some of the outside source funding might have not been released intentionally to the appropriate agencies for the fact that this reprogramming legislation is awaiting the Legislature's action. So, Mr. Speaker, if you can request to have these two documents prepared by the Governor's Office and presented to the Legislature. Thank you.

Speaker Palacios: Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker. This is also in regards to GOV. COMM. 16-71. The concern that I have is that this document that the Governor had submitted dated March 31st regarding the budget is that he is not communicating with this body, most especially to the PUTC and the extent of the CUC issues with fuel. As we should know the last tanker that came by CUC was obligated and CUC did order about \$3.2 million worth of fuel, however, they only made a \$2 million payment collected the fuel based on the amount paid. The tanker actually was nearly cited by US Coast Guard because there was 72-hour notice that if they were to port on Guam that is technically cargo that needed to be declared because of the new policies on national security and what not. So, they were actually in a bind. CUC is expected to receive another order today; however, Mobil was asking for pre-payment to the tune of \$4 million and CUC can only pay one-third of that. That means we are headed for a serious issue with power generation. CUC did meet with the Lt. Governor and staff to discuss how the central government can support CUC by allowing CUC to receive additional funds, but at this point, because the financial straights that we are in I received reports that the Secretary of Finance is having an extremely difficult time trying to source the funds. Let us be mindful that today is April 2nd and that means the prior quarter just closed and business gross taxes are not due until the end of the month so liquid cash is really tight. I mean in financial terms we are up a creek, really. So I am concern that we are still messing around with attempting to have a balanced budget but yet we are not dealing with the real critical issue before us today which is CUC. Thank you, Mr. Speaker.

Speaker Palacios: Before I recognize any other member, Representative Yumul, you had a report in our last session and I believe that report is relevant to this communication. I would like to ask that you take a look at this letter.

Representative Yumul: I am, Mr. Speaker, however, because as the Chairman and as directed by yourself as Speaker, I am working with what I am given. I would really like to work with solving CUC's financial problems because of your direction towards what the Committee on Ways and Means needs to accomplish that is what I have been concentrating on. But I really want to emphasize that the real big issue is CUC and I would like to eventually move on and deal with CUC's financial issue if I may. I know the budget will be coming in for FY 2009 and that again will take up a lot of my time so we have this small window that we should really look into CUC and perhaps I can bring in my financial team to look at that together with the Chairman of PUTC, which I am a member as well. The whole point here is that I am really concern, Mr. Speaker.

Speaker Palacios: We are all concerned, and I will deal with that. Representative Hofschneider.

Representative Hofschneider: Mr. Speaker, we should approach this logically and in doing so we need to make some hard decisions. And one of the first rule is for you the presiding officer of the House to appeal to the Senate and have that repealer go through because that will be the first great step towards cash flow problems with CUC. The second attempt is really look parallel to Governor's Communication 16-71 and that is if we are really seriously taking up the request of the Governor for austerity then the austerity should not be lopsided in that there will be people exempted from it. If we need to come down to really defining what is critical and essential positions we have to do so. Our constitution makes our work easy. There are only three basic essentials and the constitution mandates.... (*End of tape 1, side A*)... (*Beginning of Side B*) ...and that any impact that we proposed should equal across the board. If you take a look at GOV. COMM. 16-71 and you look at the legislation that the 15th Legislature enacted appropriating local funds to sustain an "x" number of employees to an "x" number of working days that did not do much, and here we are again repeating. There is a memo from the Office of Personnel Management that extended 45 individuals' contracts up to April 12th. Their basis and defenses is really in citation of critical and essential duties and responsibilities. We have to think very seriously on what is essential responsibility. For instance, if you have an employee under the Office of the Special Assistant for Administration (SAA) stationed in Tinian, does that constitute critical and essential service? And we can go on and on. The moral of it all is if there is blame to go around by cutting government payroll, as the austerity is proposing to do, then this body and the Executive Branch must come together and share the blame. Nobody should be privy to look for a crab hole and stick his head out while the rest take the blame. The impound authority under P.L. 3-68 is the most logical and appropriate measure that the Governor, any governor, is given because it provides for legal justification as to the cuts. It provides transparency about the situation we are facing today, and it forces not only the Governor but the Legislative Branch to adhere to good, sound, and prudent measures in cost cutting within the realms and the parameters of the law. Doing this request by way of an austerity approach is an analogous to a patient already on life support machine and different doctors are scurrying around to stop the bleeding. The decision is to decide – do you really want to save the patient, or you just want to pretend in saving the patient and stop the bleeding or make an attempt to stop the bleeding? This is what is happening. Saving CUC or reducing and keeping solvency of CUC comes down to cash flow. Requesting the Senate President to expediently or fast track the repealer of P.L. 15-94 is the first appropriate step and right thing to do so we can get it over to the Governor's desk. The second is to look at ways to raise revenues within the available resources of the Commonwealth and redirect it to us, a focal application. Austerity does not have a long lasting impact if it is applied to the very patient who is dieing. You have to look at something to apply it to that has a greater multiplier effect to the economy, the existence of government, and the welfare of the public. That is the most

appropriate thing that the Legislature should take and apply to. Basing our decisions on fear factor is not the right thing to do, Mr. Speaker, thank you.

Speaker Palacios: Thank you. Representative Reyes.

Representative Reyes: Thank you, Mr. Speaker. Just given what Chairman of Ways and Means had said earlier about this fuel delivery, it is a great concern of mine also because not only that we pay the highest utility rate anywhere compared, we have to bear in mind that whether or not a full tank load is discharge or half or one third of it we still pay the same freight or we are cheating ourselves for it. I just want the committee to understand that the cost will remain the same regardless whether you pump out ten million gallons or one million gallons because these tankers will charge you the same freight amount whether you take it out or not. Mr. Speaker, again, in part and as Representative Hofschneider had mentioned about cash flow, I have been really critical about CUC and I have good intentions to help out too as a team and it becomes evident that cash flow is the problem. My question is, is it a cash flow problem because the utilities agency is not collecting the money, people are not paying the cost for the electricity? Here we are continuing to cut their salaries and everything else and it is heading further downwards. We have a lot of things to consider given Governor's Communication 16-71 and if we do that, I guess my point is that is it just the people that are not paying their utility bills because they cannot afford it and if we cut them off again with all these measures how worst can it get? We need to identify where these problems are with the utilities agency, Mr. Speaker. That is all I have to say. I am willing to work with everybody and get down to the bottom of this. Thank you.

Speaker Palacios: Thank you. Representative Apatang.

Representative Apatang: Thank you, Mr. Speaker. Every time we come into this chamber we talk about major issues. We have been in this chamber since January 14, and we know what the problem is, the economy is the problem. There are a lot of bills pending in the committees right now that need to be addressed. There are urgent bills in the committees that will help remedy some of the situations that we are facing at this point. We need to work, that is what we need to do. We need to put our heads together. I am tired of coming in here every session and all we do is talk about the problems. Let us roll our sleeves up and sit down and get those bills together, them out of the committees so we can entertain them, pass them so it can help, that is the help we need to do. Let us stop ditty bucking or whatever. Let us stop talking, let us get some action going here. We have to have a set plan on what we need to do. This is the two years that we need to work. The first year is almost gone, it is half through of the first year, and we have a lot of problems in our Commonwealth. If it is not the college, it is PSS, CUC, or the hospital. We need to tackle these issues one at a time. Let us sit down and work together. We have good bills in the committee and the committees need to get those bills out. Let us stop all this -- I have reservations or whatever on the bills. Thank you.

Speaker Palacios: Thank you. Ready.

SENATE COMMUNICATIONS

SEN. COMM. 16-17: (3/28/08) Returning H. B. NO. 16-51, HD5, the Appropriations and Budget Authority Act of 2007," which was rejected by the Senate on March 28, 2008.

SEN. COMM. 16-18: (3/27/08) From Senate President Reyes with regards to H. B. NO. 16-51, HD5 and the formation of a conference committee.

Speaker Palacios: Are there any comments on Senate Communication 16-17? Representative Hofschneider.

Representative Hofschneider: Was the motion to reject, or to reject completely and file H. B. NO. 16-51, HD? What was the parliamentary motion?

Speaker Palacios: Representative Yumul, would you like to respond to that?

Representative Yumul: I was not present during the Senate session so perhaps Representative Salas or the Vice Speaker whom were present when the decision was made can answer. I do not know.

Representative Hofschneider: Could we ask the legal counsel, Mr. Speaker?

Speaker Palacios: Legal counsel?

Ian Catlett: Thank you Mr. Speaker. I was present. It was a motion to reject and file completely. It was not a conference.

Representative Hofschneider: So the budget is dead.

Speaker Palacios: Correct.

HOUSE COMMUNICATIONS

Speaker Palacios: Representative Babauta.

Representative Babauta: Thank you. I understand that there are two House Communications passed out and I would like to ask whether or not the author would like to officially place House Communication 16-30 and 16-31 on today's agenda.

Speaker Palacios: The chair will order that the two communications from Representative Torres be place on today's order of business.

HSE. COMM. 16-30: From Representative Stanley Torres with regards to Representative Hocog's House Legislative Initiative 16-15.

HSE. COMM. 16-31: From Representative Stanley Torres with regards to the Governor's State of the Commonwealth Address.

Speaker Palacios: Are there anymore? Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I had been fully anticipating objections to the placement of House Resolution 16-9 today and so I have prepared a statement on the resolution that

I would like to submit as a House Communication. And with your indulgence, I would like to deliver it. Thank you.

Speaker Palacios: There is no objection we will have you read your communication.

Representative Sablan: Thank you. This is address to all the members of the House. I have introduced today House Resolution 16-9, which proposes to amend the Rules of Procedure that govern this body in order to provide the people of the Commonwealth with full and fair notice of House sessions and committee meetings, and improved access to the public records of the Legislature. If adopted, the new rules would require at least three business days' notice, including agendas, for all regular and special sessions and for all committee meetings of the House. Agendas would not change once notice is issued except by a majority vote of members present and voting, and notice requirements can only be waived under emergency circumstances. In addition, bills, resolutions, committee reports, journals, voting records, financial records, and contact information for all members would be made available as public records on the official website of the Commonwealth Legislature. The Legislative Bureau would be tasked with the responsibility of disseminating public notices of sessions and meetings, and updating and maintaining the Legislature's website. Colleagues, I regularly receive complaints from citizens about the unreliability of the Legislature, and the lack of transparency in the way business is conducted here. Timely public notices are rarely, if ever, issued for sessions and meetings. Agendas are rarely, if ever, made available, and are constantly changed without notice. Meetings rarely, if ever, start on time, and are routinely rescheduled. Access to public records is limited, and the Legislature's official website is not as informative as it could be, and sometimes unavailable. Sadly, I am often asked if we have adopted such practices deliberately, to discourage public involvement in the legislative process. While appreciation has been expressed for the website that the Floor Leader has created for House Bills, initiatives, and committee reports, and for the meeting notices that I send out via email when I can, the question I am often asked is, "Why doesn't the Legislature inform the public about its meetings and make its records more readily available as a matter of institutional policy?" House Resolution 16-9 is an attempt to begin to institutionalize a policy of improved transparency in the Legislature that will, in turn, help improve the legislative process and encourage more thoughtful deliberation of any acting we take. We start with ourselves, in the 16th House of Representatives, and then we challenge our colleagues in the Senate to follow suit, and set an example for future lawmakers to follow. I realize that changes in the House rules may not seem like such a significant and pressing issue to some of us at this time, especially considering the dire fiscal, economic, social, and infrastructural crisis that we face. But I earnestly submit that it is precisely because of our grim situation and the deepening anxieties of our people that measures to stabilize the legislative process and make it more open to the public have become more imperative than ever. People want to know what we are doing in the Legislature to improve their quality of life, and they want to participate in solutions. They also want reassurance that we are cognizant of their suffering, that we have our priorities straight, and that we are focused on issues that matter to them. Stability and transparency make good economic sense too. Businesses thrive in communities with responsible, trustworthy, and accountable governments. Colleagues, we will not be able to solve the utilities crisis, or retire the deficit, or pass a balanced budget, or turn the economy around today. We will not be able to rescue the college from its accreditation woes, or improve the quality of healthcare for our people today. These things will take time, careful planning, and great effort, and there will forces beyond our control with which to contend. But what we can do today, what is simple, feasible, and well within our control, is to adopt rules that will give our people notice for when we meet and improved access to legislative records. Yes, these new rules will take some adjustment, and we will have to work a

little harder to plan our meetings and make information more available to our people. But we are, after all, public servants, and the Legislature belongs, not to us, but to the people we represent. If we adopt these new rules-and most importantly, if we consistently honor them and do not suspend them in practice-we would be providing a great public service, and infusing the legislative process with a measure of credibility, transparency, and stability that can set the Commonwealth on a course towards better governance. I respectfully request your support for House Resolution 16-9. Thank you.

Speaker Palacios: Thank you. Floor Leader Camacho.

Floor Leader Camacho: I would like to comment respectfully to Representative Sablan. Respectfully the Speaker has already assigned an Ad Hoc Committee on the House Rules. We are looking into comments both from Representative Sablan and other members also and we will do our very best to report as of the deadline given from the Speaker. But we have to be mindful that Rules have to serve the body and that they have to be flexible too. If and when we do amend the rules they also have to be able to flex during emergencies, during sessions, during committee meetings. There is a story that goes when Catherine the Great was the Tsar of Russia one summer she was walking through the court yard and she came upon a flower sticking out of the court yard there is nothing else around except cobble stones and being the Empress of Russia she said it will be very sad if somebody came along and stepped upon this small flower. So she ordered a guard to stand there at that very spot to make sure that nobody came and stepped on that flower. And then fall came and winter came and the snow covered up the flower. Spring came and the flower did not grow back and summer and the year after that, but everyday there was somebody stationed at that very spot and after a while they forgot why they were standing there. So we have to be mindful that when we have rules they have to have a purpose not just for following rules sake, respectfully we will report to the Speaker on those amendments.

Speaker Palacios: Thank you Floor Leader Camacho. State your point Representative Hofschneider.

Representative Hofschneider: I would be remised to not add onto that. That was not written in the history of Catherine the Great, but it is in fact the great historical gigolo Rudolf Valentino that took the rose.

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 Palacios: Ready. Representative Apatang.

Representative Apatang: Thank you Mr. Speaker. I know that there was an objection to add House Resolution 16-12 but I would like to ask if we could go back and reconsider that and place it for today's action. Thank you.

Speaker Palacios: Before we take a short recess Representative Apatang requested that we reconsider our decision on House Resolution 16-12 and place it back onto the resolution calendar so we can deliberate on it and dispose of it this morning. Is there any objection on that?

Several members voiced "no objection."

Speaker Palacios: There being no objection, we will now place House Resolution 16-12 on Resolution Calendar and deliberate on it under resolution calendar. Representative Babauta state your point.

Representative Babauta: What else, Mr. Speaker?

Speaker Palacios: I think we should just take up the two resolutions and leave the rest until our next session and we need to move on to bill calendar also.

Representative Babauta: May I further ask, Mr. Speaker, that the Chair allow House Resolution 16-10 to be placed on the calendar so we can take it up not necessarily today but tomorrow, if there is no objection.

Several members voiced "no objection."

Speaker Palacios: So ordered, House Resolution 16-10 is placed on calendar. Representative Stanley Torres, recognized.

Representative Torres: I am hearing plenty resolution to be placed back on calendar. I am prepared to submit a substitute on my resolution that has been put on hold for three which is House Resolution 16-6 regarding the disability parking at the Legislature's parking lot.

Speaker Palacios: Your resolution is on today's resolution calendar.

Representative Torres: I am prepared to submit a House Draft I.

Speaker Palacios: We will get to that when we get to resolution calendar and begin deliberating on these resolutions on the calendar. Thank you. Representative Sablan.

Representative Sablan: Thank you Mr. Speaker. Since we are reconsidering all the resolutions that were previously going to be postponed until future sessions I would like to also just go ahead and request that we reconsider tabling the resolution that I introduced today. Thank you.

Floor Leader voiced objection. Representatives' Babauta and Hocog seconded the motion.

Speaker Palacios: Okay, Floor Leader we can do that and I know that you objected to putting it on the calendar. We can put it on the calendar. You certainly have the control to make the motion to adopt. Representative Babauta.

Representative Babauta: I just want to clarify from the mover Representative Sablan, because earlier she made a comment of requesting it to table, whether or not is that a motion to table House Resolution 16-9?

Speaker Palacios: Representative Sablan.

Representative Sablan: What I am requesting is to place House Resolution 16-9 on the calendar and what I was noting earlier was that the Speaker had made the call to postpone any action on the other resolutions and now we are reconsidering and placing them on the calendar, so I am asking for the same consideration for House Resolution 16-9.

Representative Babauta: To include House Resolution 16-9 and not to lay on the table.

Representative Sablan: Yes. Thank you.

Representative Babauta: So clarified. Thank you.

Speaker Palacios: Let me just state very briefly is that one of the biggest reasons why I made the decision to send it to the Ad Hoc Committee is because of the extensive request that the resolution has in changing the rules. And because we have an Ad Hoc committee now considering recommendations I believe to be appropriate to give the resolution with its contents and its recommendation to the Ad Hoc Committee for consideration and when we finalize the House Rules those recommendations that are made under the House Resolution that you introduce will be given the consideration by the committee. Representative Sablan.

Representative Sablan: Let me just respond to that if I may. And for the same reason we have the Health, Education, and Welfare Committee that we could refer the Taiwan resolution that involves public health and we also have the Natural Resources Committee that we can refer the zoning resolution to. I do not see any difference in that case.

Speaker Palacios: Vice Speaker Deleon Guerrero.

Vice Speaker Deleon Guerrero: I think the other points you made was that any other member has comments regarding our house rules that it be sent to the Ad Hoc committee so it is fair. And we do not address trying to change the House Rules through a resolution when we have a committee dealing with that specific issue. I do not know if I could make myself any more clear.

Speaker Palacios: Representative Apatang.

Representative Apatang: Thank you, Mr. Speaker. I think your decision originally is correct and I support that and that you send the resolution to the Ad Hoc committee so we can look at this. It is a very lengthy resolution and it involves the majority part of the House Rules and we need to sit down and look at it if you give us that opportunity, Representative Sablan. The other resolutions are supporting resolutions to other issues such as the Zoning Board which their meeting is coming up and these are some of the concerns that the people in that particular area wants to address to the board, so they are looking for some kind of support. In your resolution it is a different matter that we need to sit down and seriously look at the resolution and that is the job of the Ad Hoc committee. Thank you.

Speaker Palacios: Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. The changes to the rules that I am proposing are not that complicated, looking at three days notice and posting information on the website that is really what it amounts to. The other resolutions that we are looking at are I will argue considerably weighty. We are looking at a zoning resolution that could be construed as being special interest. You know we are trying to do some spot zoning and make some exceptions to a zoning plan that has been recently adopted. That is something we should take very seriously if its going to come out as an expression of the House which is why I think it would be justified to send that to the Natural Resources Committee and as the Chair has pointed out they are already looking at this issue and then we can wait to hear back from them. With respect to the resolution to support Taiwan I have no idea where this comes from but it is a communication from the House that involves a foreign country and I would like to get more information on that before we vote on that. I do not think it will be asking too much if you are going to request more time to look at the changes of the rules that I am proposing to also ask more time to look at.

Speaker Palacios: Representative Sablan, I apologize for interrupting, I hear sentiments that you are very strong on trying to place it on calendar and also the sentiments of some of the members that it is lengthy recommendations on changes of the House Rules and the House Rules is a resolution by itself. So I am going to weigh this and I am going to make my decision right now. I am going to go ahead and place this on the resolution calendar whether it comes up for deliberation and adoption. *(End of Tape 1, side B) (Start of Tape 2, side A)* Floor Leader.

Floor Leader Camacho: A motion for adoption on House Resolution 16-11 reference to the Torres family.

The motion was seconded.

H. R. No. 16-11: A HOUSE RESOLUTION TO RECOGNIZE AND COMMEND MR. AND MRS. VICENTE VILLAGOMEZ TORRES FOR THEIR DEDICATION AND SACRIFICE IN PRIORITIZING THE EDUCATION OF THEIR CHILDREN, AND FOR THEIR CONTRIBUTIONS TO THE PEOPLE OF THE COMMONWEALTH.

Speaker Palacios: The motion is to adopt House Resolution 16-11 has been made and seconded. The floor is open for discussion on the motion. Ready?

There being no discussion the motion to adopt House Resolution 16-11 was carried by voice vote.

Speaker Palacios: I recognize the Floor Leader.

Floor Leader Camacho: I move for the adoption of House Resolution 16-12.

The motion was seconded.

H. R. No. 16-12: A HOUSE RESOLUTION REQUESTING THE CNMI ZONING BOARD TO CHANGE THE PRESENT ZONING CLASSIFICATION OF LOT NO. H301 FROM “RURAL” TO “MIXED COMMERCIAL” FOR THE PURPOSES OF DEVELOPING AND CONSTRUCTING A MODERATE-SIZED AND COMPLETE GROCERY STORE IN THE VILLAGE OF KAGMAN.

Speaker Palacios: Is there any discussion on the motion to adopt H. R. NO. 16-12? Representative Hofschneider, recognized

Representative Hofschneider: Thank you, Mr. Speaker. First let me give you a quick and brief history of the Zoning Law. Back in the 8th Legislature I oppose the language provided and the concept behind the zoning in the 8th Legislature simply because of all throughout the legislation and the proposed plan it promotes spot zoning and this is what we are trying to avoid. Now the question to the author Mr. Speaker, is I know for a fact that I myself have been invited to public hearings conducted all throughout the islands. Was this concern raised before the zoning board during the public hearing? Was it submitted to have a consideration to change the classification of the area? Was it requested officially in a public hearing forum?

Speaker Palacios: Representative Yumul.

Representative Yumul: I do not have that information maybe if after I say a few words the body going into committee of the whole we can always invite. This is just a request from the family and the organization to my office. So this is just a mere expression from the Legislature to encourage the re-zoning. It does not attempt to circumvent or fast track in any means spot zoning or changing it.

Speaker Palacios: Representative Hofschneider.

Representative Hofschneider: That is clearly understood that is why we are here with this resolution, but the House Resolution carries a weight, it has weighed in consideration of the board contemplating to change the already designated usage. My point is and the question is, was it presented to the zoning board during the public hearing?--Yes or No?

Representative Yumul: I do not have that information.

Representative Hofschneider: Mr. Speaker I do not have a problem with this resolution because simply this is the problem with the original zoning law back in the 8th Legislature. There seems to be no comprehensive land use plan in the Commonwealth, whether it be the island of Saipan, Tinian, and Rota, and that is the failure from being a constitutional office, Marianas Public Land Corporation (MPLC) and now Department of Public Lands (DPL). We are going about in circles. The whole concept of developing subdivision homestead is also to include commercial land availability. Now it is quite consistent with the view taken by MPLC, MPLA and now DPL over a long period of time that Kagman homesteads should, at all attempts, be reserved for residential purposes. In the perimeter and in the center there are public lands and private lands as well, but once the homestead it is issued, it should be reserved and prevented from being converted into commercial purposes within that homesteading subdivision. So this request is consistent, Mr. Speaker, with the intent of providing private land owners the ability to develop their property into a commercial purpose so that we do away with converting homestead subdivisions into commercial entities, because it disrupts the whole community. If you drive down in the focus of Kagman you have poker arcades and Laundromats next to the residential housings. So if this is a private property, Mr. Speaker, and I believe it is 39,927 square meters, we should support in sending a message to the Zoning Board that this should be changed to commercial and prevent the homestead area from further deterioration. When your neighboring lot has been converted to a store or a poker arcade, it depreciates the value of your home, and problems arise out of that from within the housing section. So we should, at every cost, encourage private properties to be used for commercial purposes. I think this is consistent with the request. However, it may appear requesting a spot zoning. So be it, because I think we need to send a clear message that the intent of a comprehensive land use plan is critical to bring in the private land owners into the context so that it will allow them to serve the community in Kagman, as such, without damaging the whole concept of homesteading. A classic example, Mr. Speaker, is Koblerville. There was no control and now just about every homestead there has been converted into a commercial entity: tire shops, poker businesses, and stores. We should encourage objectives like this to develop private properties to serve a greater segment of the village. I move, Mr. Speaker, that we adopt the resolution and try to work with the Zoning Board. We cannot continue approaching developments like this, Mr. Speaker. When is it are we going to get our act together and get a comprehensive land use plan? I support this because this is private property and I do not want to see Kagman converted into all poker arcades, tire shops in the middle of peoples nice houses who have taken a 30-year mortgage for \$150,000 to be depreciated. Thank you.

Speaker Palacios: Thank you. Representative Salas.

Representative Salas: It is great that this family is coming into Kagman to build something. It is badly needed and I just want to point out that the Zoning Board will be having a public hearing on April 29th and they are also going to be having a public open house on April 22nd. Basically, in those hearings, there are amendments circulating to the Zoning Law and one of the those amendments actually addresses this particular lot and there has been a request for re-zoning by this family from rural to mixed commercial and it is basically in there. There is a copy of that and I ask the Sergeant-at-Arms to please pass that out. We are 100% in support of this.

Speaker Palacios: Representative Apatang.

Representative Apatang: This is the kind of resolution that I do not mind supporting at all with our situation right now with the economy. If the Zoning Board decides to change this and allow this company to build a development down there, this will create money for the CNMI government. This company will hire residents of Kagman for employment who, in turn, will pay taxes. This company will help relieve the hardship of the residents living in Kagman, besides just having the poker and beauty parlors down there. This has been a long dream and with the Mobile Gas Station has been a long dream as well. The property owner had a long struggle having to clear with the environmental requirements so that they could open up a business and it has been successful. Instead of residents of Kagman traveling all the way down to Susupe, Chalan Kanoa, or to Garapan to fill up their car with gas, they now save gas and money by not traveling that far. And with this new development to be built in that area, this will save the residents more of money by not traveling to Susupe or Garapan to shop. I welcome those kinds of developments there. Thank you.

Speaker Palacios: Vice Speaker Deleon Guerrero.

Vice Speaker Deleon Guerrero: Thank you, Mr. Speaker. While I have no objections to the intent to reclassify the lot for purposes that should benefit the residents of Kagman, we have already heard from the Representative of Kagman that there will be a public hearing, that there has been a request to the zoning office to change the classification by the land owner to the Zoning Board. Basically, we understand that they are going through the process already. The 15th Saipan and Northern Islands Delegation passed the Zoning Bill which became a local law and we maybe setting a precedent here. We created it. The Zoning Board went through extensive public hearings. I feel that we should allow the process to take its course. I am kind of concern that the Legislature on one hand has said this Board shall be constituted, this law shall be in place and then we are kind of stepping in again and making a statement that almost circumvents the process. If in fact the land owners have applied, I think that we should refrain from interfering even. There are public hearings to taking place. Allow the Zoning office to review any request -- unless there is something that I do not know. Is there a time sensitivity here that will somehow prevent this thing from happening if we do not adopt this resolution? Let us respect what we have created and allow the process to take its course. Thank you.

Representative Hofschneider: Point of information.

Speaker Palacios: Representative Hofschneider, please state your point.

Representative Hofschneider: That is why I asked that question in the beginning of my statement -- was this ever brought up to the board during a public hearing? If not then it is still consistent with the request to the board for consideration. Now whether time is of the essence, it is for us to decide.

Speaker Palacios: As what Representative Salas had stated, the request has been made for a change of use of this particular lot and the process is ongoing. The resolution basically requests and also supports the petition for a change of use. Representative Sablan, recognized.

Representative Sablan: I would like to express my agreement with the Vice Speaker's sentiments that we should allow the process that is already in place to take place. The zoning plan was adopted after extensive public hearings and extensive village meetings. There were ample opportunities for public comments and now again they have reopen that process. They are considering amendments including the amendments that we are being asked to endorse today. I think we should absolutely respect that process. I do not pretend to know what exactly this area that surrounds this particular lot

but I think it would not be appropriate for the Legislature to intervene on behalf of one family for one lot in this one village when there is a comprehensive land use plan that has been developed and that has gone through due process and it is still going through a process. I do not support this resolution and I would actually like to see this be laid on the table.

Speaker Palacios: Representative Babauta.

Representative Babauta: Thank you, Mr. Speaker. This is the very essence of democracy in this chamber, whether you like it or not you make your feelings and sentiments known. Mr. Speaker, I rise in support of the intent of the resolution. Whether or not this body will eventually convince the Zoning Board to consider the request, it is up to the Zoning Board. The resolution is merely expressing itself that we are in support of this commercial activity back there. Probably one or two recent the fact that we need to hold this until such time that the Zoning Board makes a decision. There is a time sensitive in this issue: there are regulatory agency requirements to meet and other licensing agencies that you need to comply with, construction cost is escalating not to mention the diesel fuel that needs to pump those trucks to haul those corals and what not for the construction. Therefore, Mr. Speake,r I would heed to the motion of Representative Hocog to end debate. Let us vote.

Speaker Palacios: I would like to ask for your indulgence and allow one more comments. Representative Stanley Torres.

Representative Stanley Torres: *Nañga naya former Speaker sa guaha lakkue baihu sañgan.* I am supporting Representative Babauta's statement and I am in full support and speed it up adopting this resolution *sa sigi ha' hit para ta nañga ta'lo i board nai yan para ngai'an. Esti na familia man malago' na para u fan gaige. Yanggen ta fan sigi ha -- ta delay -- sigi ha lakkue otro banda ni mamandokko'. Atan pãpa' sa sigi ha ni man dokko'. Yanggen para ta ñukot mismo i taotao-ta nai ya ta sigi ha mu na'i ginen hiyong ni open arms, hita ha pumupuno' maisa hit.* And I stand to defend in adopting this resolution now and not tomorrow. Thank you.

Speaker Palacios: Representative Yumul.

Representative Yumul: The Saipan Zoning Law that was enacted in the 15th Legislature did go through the proper public hearings. Comments were put out but to answer in part Representative Sablan's concerns that at the time that this piece of legislation was being considered the thoughts and ideas of everyone in the island of Saipan at the time may or may not have considered future developments. The economic atmosphere changes almost on a daily basis. It is hard to tell a land owner today what are you planning to do in two years because if you are not planning to develop. We are going to make your area rural and not a mix commercial for example. The reason why I supported and voted for the Saipan Zoning Law was to allow flexibility where if there is a request from the community at large to rezone. Maybe now is the right moment to develop and that it be allowed and not to be too restrictive. I am in agreement with Representative Hofschneider's concerns when we have a homestead area that it should really remain a homestead, period. That, I agree with. But with this, we are talking about developments outside a homestead area. We are talking about an area that actually has no near by homes that will aversively be impacted. I am not going to go any further than that. The Zoning Board still will conduct a hearing. We are merely just giving our expression and we are saying that this is a very good activity and to please support it. Thank you.

Speaker Palacios: Ready.

There was no further discussion and the motion to adopt House Resolution 16-12 was carried by voice vote.

Speaker Palacios: Let the record reflect that Representative Sablan voted against the approval of House Resolution 16-12. Representative Reyes, recognized.

Representative Reyes: Mr. Speaker, if there is no objection I would like to revert back to Reports of Standing Committees.

Representative Santos voiced no objection.

Speaker Palacios: Vice Speaker Deleon Guerrero.

Vice Speaker Deleon Guerrero: Are we finished with the resolutions?

Speaker Palacios: We are still under Resolution Calendar. Representative Reyes, recognized.

Representative Reyes: I am sorry, I take it back.

Speaker Palacios: Floor Leader Camacho, recognized.

Floor Leader Camacho: Mr. Speaker. respectfully that will do it for the Resolution Calendar for today. We can move on to the Bill Calendar.

Speaker Palacios: I recognize Representative Reyes.

Representative Reyes: Yes, Mr. Speaker, if there is no objection, can we revert to Reports of Standing Committees? I would like to file Standing Committee Report No. 16-12.

Several members voiced no objection.

Speaker Palacios: Let me ask the Chairman on Commerce and Tourism if it is okay that we wait until tomorrow. Representative Reyes, we will have a session tomorrow so this will be on the Order of Business.

Representative Reyes: That is fine.

Representative Babauta: Point of information.

Speaker Palacios: Thank you, Representative Reyes. Representative Babauta, recognized on point of information.

Representative Babauta: We have a long time pending resolution on the calendar. Are we going to address that?

Speaker Palacios: We are going to do that tomorrow. I just spoke with the author.

Representative Babauta: Thank you, Mr. Speaker.

BILL CALENDAR

Speaker Palacios: We are now under Bill Calendar and I recognize the Floor Leader.

Floor Leader Camacho: Mr. Speaker, I move for passage on First and Final Reading H. B. NO. 16-33.

Representative Babauta seconded the motion.

H. B. No. 16-33: A BILL FOR AN ACT TO AMEND 3 CMC § 7831 BY ADDING A NEW SUBSECTION (E) AND (F) THAT SHALL REMOVE THE REQUIREMENT THAT THE COMMONWEALTH UTILITIES CORPORATION AND NORTHERN MARIANAS COLLEGE PAY ONE PERCENT OF ITS ANNUAL BUDGET TO THE OFFICE OF THE PUBLIC AUDITOR; AND FOR OTHER PURPOSES.

Speaker Palacios: Discussion on the motion? Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker. The concern I have with the legislation is from the comments that were provided by the Office of the Public Auditor. I believe you have also received one comment from Public Auditor Mike Sablan today and if we could have that distributed out to the members first and discuss that. The additional comment that was provided by the Public Auditor Mike Sablan is very interesting. It is interesting to know that the Public Auditor has volunteered in respects to pay the cost of the NMC's single audit which is approximately \$32,000.00. The assistance that the Office of the Public Auditor will provide to NMC will really help NMC and that this legislation with regards to NMC will not be necessary. My fear is that it is going to lead to an opening of the door, if you will, for other agencies and departments that are funded directly from the general fund to also request the one percent waiver. It is noteworthy to take into context that the Office of the Public Auditor has informed my office that all their operating revenues are sourced from the general fund because the Secretary of Finance is withholding funds from them. The independent agencies are actually delinquent and are not remitting. With respect to CUC, the Public Auditor is cognizant of CUC's dilemma and is willing to allow CUC to have a three year exemption from that one percent. And if I could ask the Chairman if that amendment can be made so we can sunset for three years the waiver for CUC that would be appropriate to help CUC, but at this time my concerns are with NMC and revenue fund source from the general fund to operate OPA. We had also received DEPT./AGCY. COMM. 16-19 from the Public Auditor requesting a budget of about \$2.5 million for FY 2009 so that also is a concern for me. Although they may not utilize the full budget request we need to be cognizant that they need that flexibility that if they need to hire additional staff to take on the task of auditing, the public auditor's office is conducting an active audit on the college. I believe some of the members here raised concerns on certain hiring practices of the college. The auditor is actively engaged in that so we need to be cognizant overall that just because an agency or what not are paying for their own annual audits the public auditor still is tasked to go in and do a spot audits and investigations. That costs money and that the auditor's office needs the funding. And with that, Mr. Speaker, I would like to ask the author of the bill to make the corresponding amendments so we can get this legislation moving forward. Thank you.

Speaker Palacios: Thank you. Representative Apatang.

Representative Apatang: Thank you, Mr. Speaker. I know that everybody is crying about funding and all that, but at this point in time the college needs our help. We know what the problem is for some of you who have attended the briefing from the college when they were here several times pleading for assistance. They have a time frame that they need to accomplish because of the previous audit and WASC recommendation mandated that.... *(End of Tape 2 Side A) (Start of Tape 2 Side B)* ...public auditor's one percent allocation. If you look at the history since we initiated the public auditor's one percent allocation, most of the time the public auditor will return so much money back to the general fund at the end of the fiscal year. They just returned \$1.5 million because they did not use it. There are some agencies, like CUC, CPA, and NMC that have their own private auditors that go in and audit these autonomous agencies. In fact, they do not actually utilize the public auditor's office unless there are some pressing issues that they need to look into or requested by somebody. In CUC's situation I have noticed a repayment plan that they have worked out, but even CUC is asking for an exemption from that. Mr. Speaker and members, what we need to do is to sit down and really look at the situation. Do we want to see the college close? I know of some people who are saying that there have been some abuses and all that but let us help them out and then work on those issues. If you know that there are some abuses going on that is why we have the auditors. You sit down with the college people and find out what is actually going on. Let us not penalize them at this point in time. Let us help them.

Speaker Palacios: Representative Stanley Torres.

Representative Stanley Torres: No offense to my good colleague, but I will be in full support of college provided that I see a copy of their submission to WASC two or three weeks ago during tomorrow's session. I promise that I will give my full support provided that we have a copy and look at. Thank you.

Speaker Palacios: Thank you for that information. Representative Apatang, please continue.

Representative Apatang: That was clarified already by the Chairman of HEW that the members will be provided a copy of the college's report to WASC as soon as NMC receives acknowledgement. I apologize to my good colleague because I was not aware of that but I will ask my good Chairman of HEW to look into that and if we can obtain that copy we will do so and provide each member. Again, I would like to ask for support on this bill. Although the public auditor says they need the funding and they can still provide all the audits they can do. I am very sure at this point in time that they cannot because they are overloaded because there are a lot of complaints and a lot of issues that they are looking into and they do not have that ability to service everybody else including the autonomous agencies. So I am asking for the support of the college and CUC. This is the kind of help that we can provide them at the very least, at this point in time. Thank you.

Speaker Palacios: Representative Apatang the Chairman of Ways and Means, Representative Yumul was under the impression that you have an amendment to the legislation. Do you want to offer the amendment now?

Representative Apatang: Yes, I am ready. On page 2, line 22 subsection (f) should state the following: "(f) The Northern Marianas College shall be suspended from the requirement of the one

percent contribution of its annual budget to the Public Auditor notwithstanding subsections (a) and (b) of this section for three years.”

The motion was seconded.

Speaker Palacios: Discussion? Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I understand the noble intents of House Bill 16-33 and I am fully cognizant that CUC and NMC are in dire strait at this time, but I am concerned about the precedent that we are setting and penalizing agencies that have proven themselves to be efficient and well managed and transparent agencies such as the public auditor’s office which has been exemplary in their practices and fiscal management of their affairs. So we penalize agencies such as the public auditor’s office and we send money over to agencies that have a long history of mismanagement and abuse and inefficiency, which we have already stated for the record today--those agencies include CUC and NMC. I do not support suspending their obligations to the public auditor’s office for any amount of time. I think that we need to stop this practice now. This is the time to make those hard decisions that we have been talking about making. If we are going to do this for CUC and NMC, what about the other needy agencies? The hospital is falling apart. Let us exempt them too. And what about PSS?--they were trying to buy toilet paper. Let us exempt them as well. Every agency is needy. Every agency can give us a good argument for why they should be exempt from all kinds of things. We need to draw the line somewhere and I think we should draw the line now with this bill, thank you.

Speaker Palacios: Thank you. Representative Apatang.

Representative Apatang: Thank you, Mr. Speaker. I appreciate Representative Sablan’s comment, however, Mr. Speaker I thought I said that the public auditor in the past have returned so much funding in the millions because they did not use the money. They are over funded as a matter of fact. In actuality they are not giving these agencies back in terms of auditing, it is the agencies that are giving the auditor funding. So all we are asking is that these two agencies be suspended from participating on the one percent contribution until they set their records and finances straight. That is all we are asking. We are not saying we are going to penalize the public auditor’s office. We have in the past reappropriated millions of dollars to the medical referral program to some other agencies because they have returned surplus money. These are all paper money. There is no transfer of funds. So suspending the one percent of their contribution just so they can get their finances straight is all we are asking. After three years I am sure that the college and CUC will be back in order if we do our job here instead of crying all the time about issues. Lets start supporting some of these agencies start looking into the issues on what we can do to support them instead of always in objection to that or objecting to that. This is not why we are elected here we are here to help the people to help our agencies to help the government of the Commonwealth, if we are going to sit here and just object we are not going to accomplish a d--n thing period. Thank you.

Speaker Palacios: Representative Ralph Torres.

Representative Ralph Torres: Thank you, Mr. Speaker. I would like to address a couple of things here. First, the requirements from the WASC for Representative Stanley Torres, I will provide that hopefully by tomorrow. I am just waiting for the green light from the accreditation committee to receive the package. The other thing is regarding the OPA, every department needs help all of us

understands that, but at the same time you are looking at NMC, which is our only college institution here and is in dire need of funding. Are we or is anyone here willing to sacrifice and let that go away and see it shut down? We are asking this body to help by whatever means to assist the NMC. There is problems in every department and how do we address it?—we have to take one step at a time and by knowing that show cause is what is on the table and we address that. We get NMC out of show cause status and then we move on to another problem for us to resolve. But if we are going to sit here and say no to this and that every department is going to come in and say waive our one percent to OPA. Let us help NMC. We will go back and help PSS, our Public Health Department and other departments. We take one step at a time otherwise we are going to go back to the same situation where we are going to complain not making anything out of it. So let us find solutions and I am in full support of this bill. If this is what it is going to take for NMC get accreditation, then let us do it. Thank you.

Speaker Palacios: Representative Stanley Torres.

Representative Stanley Torres: Thank you, Mr. Speaker. I am in full support for my good colleague Representative Apatang's request to support withdrawing or suspending the public auditor's money. Am I saying it correct, Representative Apatang? Because I believe that even if the college did not contribute to OPA, OPA has the obligation without being paid to audit the college on what they are doing wrong. If I find out that OPA does not want to go in there because they lack the funding, I am going to go after the OPA and believe that. Thank you.

Speaker Palacios: Vice Speaker Deleon Guerrero.

Vice Speaker Deleon Guerrero: This is regarding Representative Apatang's amendments I think the Chairman of Ways and Means pointed out earlier that this amendment is in line with the OPA's recommendation. The OPA has concurred to amend this to allow for it to be suspended for three years.

Representative Yumul: Point of clarification.

Speaker Palacios: Vice Speaker Deleon Guerrero, are you done?

Vice Speaker Deleon Guerrero: I will yield, Mr. Speaker.

Speaker Palacios: Representative Yumul, under point of clarification.

Representative Yumul: OPA is in an agreement with allowing a three year suspension for CUC that was the only thing that was mentioned as far as suspension.

Speaker Palacios: Thank you for that. Representative Hofschneider.

Representative Hofschneider: Thank you, Mr. Speaker. I think that this is very fruitful to hear that now we are making the hard choices, but I just want to bring to the attention of the members that the public auditor has two components in terms of auditing and that is the year end audits is normally farmed out to auditing firms and that is where the contribution of each agency into public auditor pays for. There is also an overreaching oversight on the ethics law on those specific agencies, so they are multitasked under the current law. So I stand corrected but I think in the Constitution states

that at a minimum the public auditor's office should get \$500,000.00 then by law this one percent came to be to allow the expansion of the public auditor to carry its mandate as provided by law thereafter. At a time when we are considering \$32,000.00 net impact to the college that allows the college to keep the \$32,000.00 instead of remitting it to the public auditor or being taken away from their budget is insignificant to the overall picture but it has a grave consequence to the public auditor's office not so much on the specific use of \$32,000.00 from the NMC point of view. But I just want to warn everybody and including the NMC that last year they gave a bonus to employees and we are doing this. I will support this bill but there has to be clear serious warning to the NMC administration and the Board of Regents. Stop this shenanigan. You asking for relief and at the same time you are looking the other way. In my meeting, Mr. Speaker, with the President I did not hold back any punches. I told her lead by example and you have the public support behind you, do not even bother with the legislators. When you are getting paid \$80,000.00 and you cannot afford to buy your own car to set good example in leadership then how can I as a public servant go out there and appeal to the public that you are doing the right thing. Just because it is legal that you drive around in a government vehicle does not make it ethically right when people are hurting. So let us take the first step and pass this legislation but send a very strong warning to not only NMC but all of the agencies in the Commonwealth when transparency is being used flagrantly and yet we still see government employees driving around as if their God given right to drive a government vehicle at the expense of taxpayers, now who is hypocrite. Thank you, Mr. Speaker.

Speaker Palacios: Thank you. Representative Reyes.

Representative Reyes: Thank you, Mr. Speaker. I will support this bill with the amendment for CUC. I think the other day also we have to be mindful and I said the day that we keep giving CUC a blank check. One hundred and fifty million dollars forgiven with CDA and everything else and still we do not know where we are at. But anyhow I think Representative Apatang here is trying to utilize the surplus of funds of the public auditor to help rescue the other agencies that are in need of it. However, Mr. Speaker, I got a report also from the public auditor there are some recoveries that was highlighted which really the other departments or government agencies have not been doing their job. I think we can recover close to seven million dollars or more. My point is, Mr. Speaker, we have the public auditors going out there doing their jobs but yet nothing has been done to recover all these other expenditures that were deemed illegal and are recoverable pursuant to the public auditor's opinion. So we have not acted to recover the seven million dollars and perhaps we can look at possibilities that whatever funding to whatever department will be subject to them doing their job and earning their pay. If they do not collect then they chop their funds off. I do not know if any of the members have seen the report from the public auditor. I can understand where Representative Apatang is coming from because there is lapsed fund there that is not used and others are crying for help for it. I have asked the public auditor how much cost is associated with their audits to conduct all these audits. Seven million dollars and then spending another million dollars and there is nothing that can be recovered because somebody is not doing their job. Thank you, Mr. Speaker.

Speaker Palacios: Thank you. Representative Salas.

Representative Salas: Thank you, Mr. Speaker. There is no question that CUC and NMC need help and I applaud and commend Representative Apatang for his efforts in trying to assist them. However, Mr. Speaker, I am really deeply concern also if we pass this bill. Again we will be setting a precedent. Public Law 9-68 that mandates in part the one percent funding to OPA from the autonomous agencies was put in place to provide the adequate and necessary funding for OPA to

basically carry out its functions as mandated with certain acts. I am really afraid if we continue to take bits and pieces from the one percent pie to offer a little bit of relief and for other autonomous agencies to basically come in will be obliged to do the same. Setting precedence, I think, would obviously reduce the funding of OPA. And if in fact there is surplus from the OPA then perhaps if it is allowable then maybe with that surplus we can pass legislation to assist CUC and NMC at that point. But at this point, I think for me I am still very concern that we are going to set a precedence. Thank you.

Speaker Palacios: Representative Babauta.

Representative Babauta: I was going to remind the Chair and the members that we have yet to adopt the amendment.

Speaker Palacios: Representative Apatang.

Representative Apatang: I would like to go back and change the language on line 24 on the amendment.

Speaker Palacios: You want to redo your amendment?

Representative Apatang: Yes.

Speaker Palacios: Okay, I will allow it. Continue, Representative Apatang.

Representative Apatang: On line 24 after “section” add “coma” and instead “for three years” insert “which shall expire on September 30, 2011.” Thank you.

The amendment now reads:

The motion was been seconded and carried by voice vote.

Speaker Palacios: Are there any further discussion on the bill? Representative Sablan.

Representative Sablan: I would like to offer an amendment to the amendment we just passed and strike NMC from the exemption to paying their obligation to OPA and concur with the public auditor’s opinion and allow for CUC to suspend its payments to OPA for three years.

Speaker Palacios: Can you restate your amendment, Representative Sablan?

Representative Sablan: Strikeout “NMC” where ever it appears.

Speaker Palacios: Representative Yumul, recognized.

Representative Yumul: Representative Sablan is making an amendment to strikeout page 2 line 22 thru 24 and anywhere else that it is mentioned.

Speaker Palacios: That is correct.

Representative Yumul seconded the motion.

Speaker Palacios: Discussion on the motion. Representative Babauta.

Representative Babauta: Mr. Speaker, we have spent a lot of time debating on this issue so whether or not the members wanted to amend the amended provision. It is a policy call by the individual members. But cognizant of the fact that there is an impending need for that certain amount and not necessarily the one million dollars, it is an impending need that is required by WASC in order for NMC to deal with immediately and that is the repair of certain classrooms. So I feel that the motion made by Representative Sablan--I ask that she reconsiders her amendment because there is a very legitimate reason that the author had introduced this bill. Thank you.

Speaker Palacios: We have already extensively talked about CUC and NMC and of the discussions that on this particular legislation ninety-nine percent was referenced to NMC. So I do not think we need to continue to discuss further what Representative Sablan has move to amend. We all have our own thoughts on this issue and so we can vote on this amendment. Representative Yumul.

Representative Yumul: I handed out a schedule “B” from the Office of the Public Auditor which outlines all the agencies that are delinquent in their one percent payment to OPA. And it is very startling to see that there is a rash of delinquencies that means that OPA gets its funding source primarily if not 100% of the 98% from the general fund. Second the April 2nd letter from the Office of the Public Auditor I would like to ask a legal opinion on the fourth paragraph where it states by the public auditor Mike Sablan. “Absent of a legal opinion from the Office of the Attorney General to the contrary OPA does not believe there is authority in the Planning and Budgeting Act to reappropriate the difference between an appropriated amount and actual allotments” I need clarification on that.

Speaker Palacios: Representative Yumul, I think that particular question is outside the questions on the floor right now. Representative Hofschneider.

Representative Hofschneider: I think that sentence right there is alluding to lapses he just did not want to come out and state it as anticipated lapse. For argument purposes, when you have a budget at \$1.6 million or anticipate 1% coming in from other agencies and all instrumentalities in the Commonwealth equal to \$1.6 and the total allotment issued is less than \$1.6 then the anticipated difference is the lapse itself and that is where the public auditor is giving as advise that he does not think that there is legal authority to reprogram funds that was withheld. The difference of withholding actual allotments and reducing the budgeted amount from \$1.6, for instance, if the allotment is only \$1 million so there is a technical lapse of \$600,000.00. He is making a statement that it is possibly illegal or no absent of authority to do reprogramming.

Representative Yumul: So noted. H. B. NO. 16-33 does not mention if this is for Fiscal Year 2009 so I am assuming that this is Fiscal Year 2008 and we are already half way thru 2008. So are we attempting then to strip from OPA this money?

Speaker Palacios: That is going to be probably for 2008 or 2009.

Representative Yumul: It is not clear, Mr. Speaker.

Speaker Palacios: We have a continuing resolution right now. It says it shall take effect upon the approval of it becoming law, so immediately. Are there any further discussions on the motion?

There was a division of the question and the Speaker then asked the clerk to call the roll.

The Clerk called the roll on the motion to amend as offered by Representative Sablan:

Representative Edwin P. Aldan	no
Representative David M. Apatang	no
Representative Oscar M. Babauta	no
Representative Joseph Camacho	no
Representative Francisco S. Dela Cruz	no
Representative Joseph P. Deleon Guerrero	no
Representative Victor B. Hocog	no
Representative Heinz S. Hofschneider	no
Representative Raymond Palacios	no
Representative Justo S. Quitugua	no
Representative Joseph Reyes	no
Representative Christina Sablan	yes
Representative Edward Salas	yes
Representative Rosemond Santos	no
Representative Ramon Tebuteb	no
Representative Ralph Torres	no
	no
Representative Ray Yumul	yes
Representative Arnold Palacios	no

Speaker Palacios: By a vote of 16 “no,” the amendment fails to be adopted. Are you ready for the main motion? Clerk, call the roll.

The Clerk called the roll for the passage of House Bill No. 16-33, HD1 on First and Final Reading.

Representative Edwin P. Aldan	yes
Representative David M. Apatang	yes
Representative Oscar M. Babauta	yes
Representative Joseph Camacho	yes
Representative Francisco S. Dela Cruz	yes
Representative Joseph P. Deleon Guerrero	yes
Representative Victor B. Hocog	yes
Representative Heinz S. Hofschneider	yes
Representative Raymond Palacios	yes
Representative Justo S. Quitugua	yes
Representative Joseph Reyes	yes
Representative Christina Sablan	no
Representative Edward Salas	no
Representative Rosemond Santos	yes
Representative Ramon Tebuteb	yes
Representative Ralph Torres	yes
Representative Stanley Torres	yes

Representative Yumul: I just hope I do not get any request for additional waivers or funding shortages from OPA to find more money because this is going to be ridiculous.

Speaker Palacios: Representative Yumul, do you want to abstain?

Representative Yumul: I will vote “present”.

Floor Leader Camacho: Mr. Speaker, Representative Yumul’s vote as “present” will be read into the record as an abstention on the vote.

Speaker Palacios: Alright.

Representative Hofschneider: This is the whole exercise this morning about the amendments to the rules. There is an interim rule that is now permanent. It has exceeded its time. The enforcement of the rule has to be cleared. You can either vote “yes,” “no,” “abstention.” Any other vote is not recognized on the floor according the House Rules.

Speaker Palacios: Floor Leader.

Floor Leader Camacho: His vote is read as an abstention, Mr. Speaker. That is pursuant to the manual.

Speaker Palacios: Clerk, Representative Yumul’s vote is an abstention.

Representative Ray Yumul	abstained
Representative Arnold Palacios	yes

Speaker Palacios: By a vote of 16 “yes,” House Bill 16-33, HD1 passes the House on First and Final Reading.

Floor Leader Camacho: Mr. Speaker, I make a motion for the passage of House Bill No. 16-11 on First and Final Reading.

The motion has been seconded.

HOUSE BILL NO. 16-11: A BILL FOR AN ACT TO AMEND THE SAFE DIVING ACT OF 1990, TO ALLOW THE DEPARTMENT OF PUBLIC SAFETY ENFORCEMENT AUTHORITY AND STRENGTHEN ENFORCEMENT OF SAFE DIVING ACT.

Speaker Palacios: Discussion on the motion? Ready. Clerk, call the roll.

The Clerk called the roll on the passage of House Bill No. 16-11 on First and Final Reading.

Representative Edwin P. Aldan	yes
Representative David M. Apatang	yes
Representative Oscar M. Babauta	yes
Representative Joseph Camacho	yes
Representative Francisco S. Dela Cruz	yes
Representative Joseph P. Deleon Guerrero	yes
Representative Victor B. Hocog	yes
Representative Heinz S. Hofschneider	yes
Representative Raymond Palacios	yes
Representative Justo S. Quitugua	yes
Representative Joseph Reyes	yes
Representative Christina Sablan	yes
Representative Edward Salas	yes
Representative Rosemond Santos	yes

Representative Ramon Tebuteb	yes
Representative Ralph Torres	yes

Representative Stanley Torres: Mr. Speaker, will this bill restrict and be a violation of law if my good friend Mr. Mike Kenny does his free diving over and beyond the depth limit? I think this bill will stop him from doing his own free diving. I just want to make sure that he can still be allowed to do his free diving below 60 feet.

Speaker Palacios: I do not believe it will restrict him.

Representative Stanley Torres	yes
Representative Ray Yumul	yes
Representative Arnold Palacios	yes

Speaker Palacios: By a vote of 19 “yes,” H. B. NO. 16-11 passes the House on first and final reading. Floor Leader.

Floor Leader Camacho: Mr. Speaker, a motion for passage on First and Final Reading H. B. NO. 16-17.

Several members seconded the motion.

HOUSE BILL NO. 16-17: TO REPEAL 8 CMC §§ 1723 AND 1741 THRU 1744 AND TO REQUIRE THE TRANSFER OF PERTINENT DOCUMENTS FROM THE CLERK OF COURT'S OFFICE TO THE HEALTH AND VITAL STATISTICS OFFICE; AND FOR OTHER PURPOSES.

Speaker Palacios: Discussion on the motion? Representative Babauta.

Representative Babauta: Mr. Speaker, I would like to register my support on this bill. However, I have a bill that was filed earlier and it has to do with the protection of the information that is provided by the vital statistics office. I kindly ask the committee charged with that particular bill to expedite the report of that bill so that it becomes consistent with the transferring of these documents to the Office of Vital Statistics. Thank you.

Speaker Palacios: Thank you. Anymore comments? Representative Hofschneider.

Representative Hofschneider: Is this limited to birth certificates and death certificates?

Speaker Palacios: Representative Tebuteb.

Representative Tebuteb: Yes.

Representative Hofschneider: Mr. Speaker, about ten years ago there was a rash of incidents whereby fraudulent documentations have been acquired that necessitate the participation of federal investigation because of documents purporting to, I believe, be certifying births in the Commonwealth. I am just afraid of the sanctity of moving it from the court to elsewhere outside the court. I want to put my trust on our institution to safeguard so that we do not have the consequences of people getting a hold of birth certificates for instance once you emplace the name of the father and the bio-data on those documents. Citizenship, in fact, has been questioned in the past. So, I want to

hear the rationale behind moving it from the court to outside the court. Is there a rationale behind this?

Speaker Palacios: Representative Tebuteb.

Representative Tebuteb: Thank you, Mr. Speaker. There is a rationale behind moving this and one of it is to make sure--let me answer what the good Representative Hofschneider has raised on the documents. There is control provided to the statistics office and it is the only agency that is going to be federalized. The document is on authenticated paper that is already numbered and once that is missing, there is a procedure that the national statistics standard has put in place so that it is safeguarded as such. But the reason why we need to transfer these documents is in view of the recently enacted law.

Speaker Palacios: Representative Hofschneider.

Representative Hofschneider: For the longest time I understand that births are, for all intent and purposes, carried out in the confines of CHC and the doctor certifies the delivery and those information have been transferred down to the court. Now, we are taking it out from the court and trying to conform with the anticipated the Uniform Parentage Act and Vital Statistics Act. I am a little bit ambivalent about this because even morbidity and mortality statistics are far behind, and those are the most essential information to the legislators in terms of planning. I will support the intent, Mr. Speaker, but I hate to say that we may come down the line in terms of repeating the foul-ups of the past. Thank you.

Speaker Palacios: Representative Santos.

Representative Santos: Mr. Speaker, I share with Representative Hofschneider's concerns in regards to recording keeping. However, for the members information the documents have already been transferred from the court to the hospital. What this does is just making it clear when Public Law 15-50 was enacted.

Speaker Palacios: Representative Stanley Torres.

Representative Stanley Torres: I do not understand why we need to transfer from the courts to CHC since both death certificates and birth certificates originate from CHC. Now if we are going to for authentication and verification and certification purposes, I think that this record should remain at the clerk of courts. Further, if we allow these documents to go to CHC, the \$10.00 fee collected for the Judicial Building Fund to repay the loan will not be met. Maybe that is why the judiciary is very short in paying back the Retirement Fund. I would like to see that the present form of birth certificates and death certificates remain in the volt of the courts.

Speaker Palacios: Representative Yumul.

Representative Yumul: The hospital implemented new birth certificates. It is printed on a nice and fancy paper, with nice borders on it, but what is visibly absent from that is a doctor's attestation to the live birth -- even that of a nurse. It is not there anymore because the way the old certificate was done was that the doctor will certify the certificate and that a copy of the certificate goes down to the clerk of court. So when you ask for a copy, that copy gets photographed and you see all the

signatures of the parents, and the hospital physician or nurse in attendant, but not this new certificate. And it is really surprising that it is not there. My concern was authenticity--that is one side of the question. The other side is in its present state, the court is collecting fees for the birth certificates and death certificates. And if we remove that they are going to lose that funding, and they will be right back in our chambers asking for additional funds. I would like to ask the Chairman how this movement will affect the court financially. My understanding to date that the hospital is collecting fees and still forwarding down or some other arrangement has been made but this may permanently stop that. That is my second concern.

Representative Hofschneider: Even the Judicial Building Fund is going to be impacted.

Representative Yumul: Financially, it will be impacted and as the Chairman of Ways and Means I am going to find it very difficult to support this legislation if do not remedy the judicial branch funding.

Speaker Palacios: Representative Tebuteb.

Representative Tebuteb: I was under the impression that the question raised by Representative Yumul was ironed out and discussed in detail during the budget process when the Judicial Branch representatives were here, as well as the Department of Public Health. Anyway, those were addressed during the budget meetings Mr. Speaker. In other words, the court is raising their fees, which goes to the Retirement Fund. That was already resolved.

Speaker Palacios: Representative Hofschneider.

Representative Hofschneider: The loan instrument that establishes the loan to construct the judicial building anticipates all fees collected by the courts be earmarked and have that as a repayment scheme for the loan. How much are we looking at in terms of the net loss from the judicial branch to fulfill its obligation to pay the loan?

Speaker Palacios: Representative Yumul.

Representative Yumul: I do not have that information with me at this time but it is an amount that is substantial. I think there is over a hundred plus births a month so that is just a start, not to mention additional request for copies. If the author of the bill would like to leave this legislation on calendar, I can gladly get that information and report back tomorrow.

Speaker Palacios: Representative Reyes.

Representative Reyes: Thank you Mr. Speaker. I think the Chair of the Committee on Judiciary and Governmental Operations, Representative Rosemond Santos stated earlier that this is just to make it official because the documents are already at CHC as a result of Public Law 15-50. I think we can address the funding and what not some other time but the bill right now is just making an official transfer of what is already done.

Speaker Palacios: Representative Ralph Torres.

Representative Ralph Torres: I think it is working now well for the courts to be handling the copies of birth certificates so I do not see the need for switching it from the courts to the hospital.

Speaker Palacios: It has been already switched -- Public Law 15-50 did just that. Vice Speaker Deleon Guerrero, recognized.

Vice Speaker Deleon Guerrero: I think it has been clarified. We should not be questioning where it should be there is a law that was passed, Public Law 15-50. There were some inadvertent mistakes and all this bill intends to do is to clarify those mistakes. Certain parts of the code were not repealed, which Section 2 of this bill, and the second part is that it did not transfer the records from the clerk of court to the Health and Vital Statistics Office. If anybody thinks it should go back, he or she should introduce a bill to send it back, but right now, it just intends to correct mistakes. I move to end debate Mr. Speaker.

Representative Salas seconded the motion.

Speaker Palacios: I will end debate on this particular legislation and move for the roll call.

The Clerk called the roll on the motion to pass House Bill No. 16-17 on First and Final Reading.

Representative Edwin P. Aldan	yes
Representative David M. Apatang	yes
Representative Oscar M. Babauta	yes
Representative Joseph Camacho	yes
Representative Francisco S. Dela Cruz	yes
Representative Joseph P. Deleon Guerrero	yes
Representative Victor B. Hocog	yes
Representative Heinz S. Hofschneider	yes
Representative Raymond Palacios	yes
Representative Justo S. Quitugua	yes
Representative Joseph Reyes	yes
Representative Christina Sablan	yes
Representative Edward Salas	yes
Representative Rosemond Santos	yes
Representative Ramon Tebuteb	yes
Representative Ralph Torres	yes

Representative Stanley Torres: Does these changes allow and legalize the birth certificate in the eyes of the US passport jurisdiction do they recognize a non-clerk of court verification in the new system now?

Speaker Palacios: I will allow the counsel to answer that question.

House Counsel Ian Catlett: Thank you, Mr. Speaker. The answer is yes. Most states the court does not get involved. It is the vital statistics office at the Department of Public Health and that is what this vital statistic model act that was passed under Public Law 15-50.

Representative Stanley Torres: So where are we getting the US passport from, Hawaii or Washington? Are they aware of this changes particularly in the CNMI?

Ian Catlett: I do not have a personal knowledge but would be aware of what the model vital statistic act is because most certificates that come to them would be under a similar state act.

Speaker Palacios: We are calling the vote. We can go back – clerk, continue please.

Representative Stanley Torres	abstain
Representative Ray Yumul	yes (with reservation)
Representative Arnold Palacios	yes

Speaker Palacios: By a vote of 18 “yes,” one abstention, House Bill 16-17 passes the House on First and Final Reading. Floor Leader, it is twelve o’clock. I will entertain a motion to recess until 9:00 a.m. tomorrow morning. Before we do that, I recognize Representative Apatang

Representative Apatang: Thank you Mr. Speaker before we adjourn I would like to ask refer H. B. NO. 16-27 to the committee and we will bury it until further notice.

Representative Babauta voiced no objection and seconded the motion.

Speaker Palacios: The author has requested that House Bill 16-27 be referred to committee. Is there any objection? Vice Speaker Deleon Guerrero.

Vice Speaker Deleon Guerrero: Could we also ask the Floor Leader to put H. B. NO. 16-81 on the calendar.

Speaker Palacios: There being no objection to refer H. B. NO. 16-27 to the respective committee, I will refer that to the Committee on Ways and Means. Floor Leader Camacho, I know that Representative Reyes introduced H. B. NO. 16-81 and had asked for it to be placed on the calendar. Could we entertain a motion to suspend the rules and place it on the calendar.

Floor Leader Camacho: Respectfully, Mr. Speaker, because it has been already introduced, it will appear on tomorrow’s calendar without suspending the rules today. We do not need to act. It will show up on tomorrow’s calendar. Unless we are going to act on it today, we need to give that 24-hour notice and that is the part we need to suspend. It is your call.

Speaker Palacios: Floor Leader.

Floor Leader Camacho: Respectfully a motion to suspend the rules for placement of H. B. NO. 16-81.

The motion was seconded.

Speaker Palacios: The motion is to suspend the rules so we can place H. B. NO. 16-81 on the bill calendar and was seconded.

Representative Babauta: A subsidiary motion to the main motion, Mr. Speaker, to include H. B. NO. 16-82 for discussion purposes.

The motion was been seconded.

Speaker Palacios: There is a subsidiary motion made by Representative Babauta to include H. B. NO. 16-82. Is there a second to that motion?

The motion was been seconded.

Speaker Palacios: Discussion?

Several members voiced ready.

Speaker Palacios: Representative Babauta, do you want to read the title.

Representative Babauta: I guess it is on record, but if I may I will to read the title again for my good colleague. H. B. NO. 16-82: To amend 6 CMC, Article 2, to authorize the operation of Video Lottery Terminal (VLT's) devices, video poker and other video slot and similar machines; to authorize the operation of Texas Hold'em and other limited card games, within the third senatorial district; to amend 4CMC, Chapter 5, to impose a new gaming tax; to require the payment of new license fees for the new entertainment activities; to provide for the licensing of poker machines on a calendar year basis; to require the installation of central computerized monitoring system for all video amusement and similar machines; and for other purposes.

Speaker Palacios: Representative Stanley Torres.

Representative Stanley Torres: I do not have any problem suspending it to be placed on calendar, but the sooner you place that, maybe the sooner its death. Thank you.

Speaker Palacios: Representative Sablan, recognized

Representative Sablan: There was ---(*End of Tape 3 side A*)

(*Start of Tape 3 Side B*)

Speaker Palacios: Representative Babauta.

Representative Babauta: I will read it again tomorrow when we take up the bill for consideration.

Speaker Palacios: Representative Reyes.

Representative Reyes: Thank you, Mr. Speaker, I kindly ask my colleagues -- H. B. NO. 16-81 has some urgency into it --

Speaker Palacios: Representative Reyes, we have to dispose of the subsidiary motion on H. B. NO. 16-82. Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. Just for thirty seconds of your indulgence just so that members of the public who are present would know what exactly House Bill 16-82 and which is To authorize the operation of Video Lottery Terminal (VLT's) devices, video poker and other video slot and similar machines; to authorize the operation of Texas Hold'em and other limited card games, within the third senatorial district; to amend 4CMC, Chapter 5, to impose a new gaming tax; to require the payment of new license fees for the new entertainment activities; to provide for the licensing of poker machines on a calendar year basis; to require the installation of central

computerized monitoring system for all video amusement and similar machines; and for other purposes. It sounds to me like it is a bill to legalize gambling in the Third Senatorial District.

Speaker Palacios: The motion is to suspend the rules so that we can place House Bill 16-82. Ready?

There was no further discussion and the subsidiary motion offered by Representative Babauta was carried by voice vote.

Speaker Palacios: Floor Leader.

Floor Leader Camacho: Mr. Speaker, a motion to suspend the rules so that we can place H. B. NO. 16-81 and H. B. NO. 16-82 on the calendar.

The motion was seconded.

Speaker Palacios: I am going to go ahead and ask the author of H. B. NO. 16-81, Representative Reyes, to explain.

Representative Reyes: Mr. Speaker, H. B. NO. 16-81 is by the urging of both the Northern Marianas Retirement Fund and the Office of Vocational Rehabilitation. There was a provision under Public Law 13-60 which has been also overlooked from the very beginning since its enactment into law. There is no vocational rehab counselor at the Office of Vocational Rehabilitation Center, and the law is contrary to what they do. The Office of Vocational Rehabilitation is to rehabilitate people with disability. Public Law 13-60 which is what we are trying to amend is just to satisfy this with two doctors one of whom is specialized in the area. As I said since its enactment they are not to certify anybody--and right now there are cases at the Retirement Fund on disability retirees that are pretty much on hold because there is no certification from the Office of Vocational Rehabilitation. One person has already died and was not able to receive the benefits. So there is urgency for this bill. This is only amending one thing only and that is the certification process by the Office of Vocational Rehabilitation and for the two doctors to certify the disability with a specialty on such disability that it.

Speaker Palacios: Clarified with everyone? Ready. Representative Babauta.

Representative Babauta: Unless she wants to hear from the author H. B. NO. 16-82.

Speaker Palacios: I think that is what she wants.

Representative Babauta: Mr. Speaker, I rise to apprise my distinguish colleague. The past three hours, Mr. Speaker, we have been deliberating about *salape*. *Taya salape esta gi potta monedan Marianas*. Some of argue against the bill about why do we have to exempt NMC. Mmy good colleague former Speaker Hofschneider argues on the basis of we need to help CUC. What else?--we debate and comment on GOV. COMM. 16-71 and all of these issues this morning had to do with funding. Ladies and gentlemen, I offer solution to these funding issues--immediate solutions. We do not have to wait for a year to take place. I am pretty sure the Third Senatorial Delegation is willing to chip in to our brothers and sisters in Rota and Tinian 20% each, why not. H. B. NO. 16-82 is a funding solution, Mr. Speaker, unless some of us have a better deal to offer, I am willing to compromise. So my good colleague Representative Sablan that is the reason why I offered the

subsidiary motion. I see the need to debate on this issue rather today but not next week, maybe tomorrow--the sooner the better. Thank you.

Speaker Palacios: Representative Sablan, I think that is the best explanation of why he feels it is urgent that we put it on the calendar. Representative Hofschneider.

Representative Hofschneider: Yes, Mr. Speaker, in the book of *Genesis*: Beware of the prophecy. Thank you.

Speaker Palacios: Are we ready for the question?

Members voiced ready, and the motion to place H. B. NO. 16-81 and H. B. NO. 16-82 on the Bill Calendar was carried by voice vote.

Speaker Palacios: We will have a session tomorrow. What will be a better time rather than 9 o'clock -- is 10 o'clock okay for everybody? Everyone be on time please. Representative Tebuteb.

MISCELLANEOUS BUSINESS

NONE

ANNOUNCEMENTS

Representative Tebuteb: To the members of the Natural Resources Committee, a reminder of tonight's Public Hearing at 6:30 p.m. in this chamber.

Speaker Palacios: So that is a reminder and also tomorrow at the Honorable Pedro P. Tenorio Multipurpose Center, same time.

ADJOURNMENT

Speaker Arnold Palacios: I recognize the Floor Leader for a motion to adjourn.

Floor Leader Camacho Mr. Speaker, I move to recess until tomorrow at 10 o'clock in the morning.

The motion was seconded and carried by voice vote.

The House adjourned at 12:23 p.m.

Respectfully submitted,

Evelyn C. Fleming, House Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

FIRST APPEARANCE: 1st Appearance of a local bill is on the date of introduction.

SECOND APPEARANCE: NONE

THIRD APPEARANCE:

H. L. B. NO. 16-8: A Local Appropriation Bill for an Act for the Second Senatorial District to appropriate \$25,000.00 from local license fees for pachinko slot machines and poker machines in the Second Senatorial District for the transition of students from the NMC Tinian campus to the NMC Saipan campus; and for other purposes. (Representative Edwin P. Aldan)