



RALPH DLG. TORRES
Governor

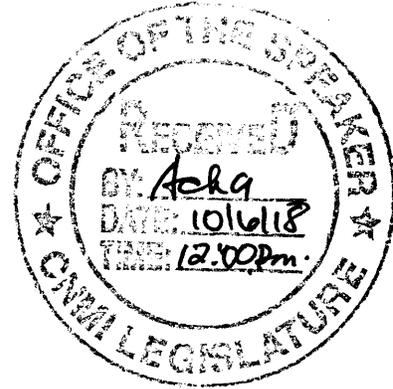
VICTOR B. HOCOG
Lieutenant Governor

COMMONWEALTH of the NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

05 OCT 2018

The Honorable Arnold I. Palacios
Senate President, The Senate
Twentieth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

The Honorable Rafael S. Demapan
Speaker, House of Representatives
Twentieth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950



Dear Mr. President and Mr. Speaker:

This is to inform you that I have signed into law **Senate Bill No. 20-111, SD1** entitled, "To establish an advisory commission on the compensation of Commonwealth executive, legislative and judicial officers; and for other purposes.", which was passed by the Senate and House of Representatives of the Twentieth Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 20-71**. Copies bearing my signature are forwarded for your reference.

Sincerely,

RALPH DLG. TORRES

cc: Lt. Governor; Press Secretary; Attorney General's Office; CNMI Superior Court; CNMI Supreme Court; Mayor of Saipan; Mayor of Tinian; Mayor of Rota; Mayor of the Northern Islands; Special Assistant for Administration; Special Assistant for Programs and Legislative Review

HOUSE CLERK'S OFFICE
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DATE *10/5/18* TIME *4:07pm*



THE SENATE
TWENTIETH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

SENATE BILL NO. 20-111, SD1

AN ACT

To establish an advisory commission on the compensation of Commonwealth executive, legislative and judicial officers; and for other purposes.

Offered by Senator(s): Sixto K. Igisomar, Arnold I. Palacios, Justo S. Quitugua, Francisco M. Borja, Francisco Q. Cruz, Jude U. Hofschneider, Paul A. Manglona, Steve K. Mesngon, Teresita A. Santos

Date: September 06, 2018

Referred to: Committee on Fiscal Affairs

Standing Committee Report No.: None

First and Final Reading: September 27, 2018

Referred to: None

Standing Committee Report No.: None

First and Final Reading: October 01, 2018

DOLORES S. BERMUDES
SENATE CLERK



THE SENATE
TWENTIETH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

FOURTH REGULAR SESSION, 2018

S. B. NO. 20-111, SD1

AN ACT

To establish an advisory commission on the compensation of Commonwealth executive, legislative and judicial officers; and for other purposes.

**BE IT ENACTED BY THE TWENTIETH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

1 **Section 1. Findings and Purpose.** The Legislature acknowledges that Article II,
2 section 10 of the NMI Constitution provides for the compensation of the members of the
3 legislature which states that the salary of the members or legislators may be changed upon
4 the recommendation of an advisory commission established by law to make
5 recommendations concerning the compensation of Commonwealth executive, legislative
6 and judicial officers. The Legislature finds the salaries of the governor, lieutenant
7 governor, mayors, legislators were previously increased pursuant to Public Laws 4-32 and
8 7-31. Public Law 7-31 increased the governor's salary from \$50,000 to \$70,000, the
9 lieutenant governor's salary from \$40,000 to \$60,000, and the legislators' salary from
10 \$30,000 to \$39,300.

11 After more than 25 years without a salary increase, the Legislature enacted Public
12 Law 19-51 to establish an advisory commission on the compensation of the governor,
13 lieutenant governor, the mayors, legislators, justices and judges. Pursuant to the 2016
14 report of the Advisory Commission on Elected Official Compensation, the Legislature
15 enacted Public Law 19-83 increasing the salary of the governor to \$120,000, the salary of
16 the lieutenant governor to \$100,000, and the salary of the legislators to \$70,000.
17 Subsequently on February 9, 2017, the Attorney General filed a complaint in the CNMI
18 Superior Court seeking a declaratory judgment that the members of the legislature may not

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1 serve on the wage commission and the salary laws are unconstitutional. On August 7,
2 2017, the parties in the complaint submitted a petition for a certified question to the CNMI
3 Supreme Court to clarify relevant provisions of the CNMI Constitution.

4 On August 30, 2018, the CNMI Supreme Court issued a slip opinion in *Manibusan*
5 *v. Larson*, 2018 MP 7, concluding that the CNMI Constitution's discussion of independent
6 commissions do not include the advisory commission on compensation. As such, members
7 of the legislature are not precluded from serving on the advisory commission on
8 compensation. *See Manibusan v. Larson*, 2018 MP 7 (Aug. 30, 2018) (Slip Opinion at ¶¶
9 22-23). The Supreme Court further concluded that salary increases for the legislature must
10 be: 1) calculated based off of a specific accepted composite price index (CPI); 2) within
11 the percentage change of the accepted CPI for the period since the last salary increase; and
12 3) no greater than the maximum salary recommended by the advisory commission.
13 Because each of the salary increases for the legislators enacted by Public Laws 4-32, 7-31
14 and 19-83 contravene at least one of these mandates, they are unconstitutional. *See*
15 *Manibusan v. Larson*, Slip Opinion at ¶ 38.

16 The Legislature finds that the salaries of members of the legislature may be
17 changed no more than once every four years pursuant to Article II, Section 10 of the NMI
18 Constitution. Because all salary increases for the members of the legislature have been
19 declared unconstitutional by the CNMI Supreme Court, and will be declared void by the
20 CNMI Superior Court, with the effect being that there has been no change in member's
21 salaries since the beginning salary of \$8,000 per year as of January 9, 1978. Therefore,
22 there was no salary change within the last four years. Accordingly, the purpose of this Act
23 is comply with the CNMI Supreme Court's decision by creating an advisory commission
24 to review and make recommendations on the compensation of Commonwealth executive,
25 legislative and judicial officers based on the mandates set forth by the CNMI Supreme
26 Court in *Manibusan v. Larson*, 2018 MP 7 (Aug. 30, 2018) (Slip Opinion).

27 **Section 2. Constitutional Authority.** The authority of an advisory commission to
28 make recommendations on the compensation of Commonwealth executive, legislative and
29 judicial officers is set forth in the NMI Constitution under Article II, Section 10.

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1 **Section 3. Advisory Commission Established.** There is hereby established within
2 15 days of the effective date of this Act, an advisory commission on the compensation of
3 Commonwealth executive, legislative and judicial officers which shall consist of seven
4 members as follows:

- 5 (a) three members shall be appointed by the Governor;
- 6 (b) two members shall be appointed by the President of the Senate; and
- 7 (c) two members shall be appointed by the Speaker of the House of
8 Representatives.

9 **Section 4. Compensation and Administration.**

- 10 (a) Members of the commission shall serve without pay but shall be reimbursed for
11 reasonable and necessary expenses incurred in the performance of their duties
12 pursuant to budgetary allocation.
- 13 (b) The Office of the Governor shall, upon request, provide the commission with
14 administrative, personnel, professional services and logistic support.

15 **Section 5. Duties.** The commission shall have the following powers and duties:

- 16 (a) Review, study and evaluate the level of compensation for Commonwealth
17 executive, legislative and judicial officers;
- 18 (b) After consultation with the governor and the presiding officers of the
19 legislature, report and make recommendations to the legislature concerning the
20 compensation of the officials specified in subsection (a) of this section;
- 21 (c) Utilize a specific accepted composite price index;
- 22 (d) Recommend a compensation within the percentage change of the accepted CPI
23 for the period since the last salary increase of the officials specified in
24 subsection (a) of this section; and
- 25 (e) Transmit the final report to the legislature within 30 days after completion. The
26 commission shall be dissolved 30 days after the date the report is officially
27 transmitted to the presiding officers of the legislature.
- 28 (f) May obtain the services of an independent certified public accountant, the
29 Office of the Public Auditor or other professional persons, as the commission

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1 deems necessary to assist in carrying out its duties.

2 **Section 6. Severability.** If any provision of this Act or the application of any such
3 provision to any person or circumstance should be held invalid by a court of competent
4 jurisdiction, the remainder of this Act or the application of its provisions to persons or
5 circumstances other than those to which it is held invalid shall not be affected thereby.

6 **Section 7. Savings Clause.** This Act and any repealer contained herein shall not
7 be construed as affecting any existing right acquired under contract or acquired under
8 statutes repealed or under any rule, regulation, or order adopted under the statutes.
9 Repealers contained in this Act shall not affect any proceeding instituted under or pursuant
10 to prior law. The enactment of the Act shall not have the effect of terminating, or in any
11 way modifying, any liability, civil or criminal, which shall already be in existence on the
12 date this Act becomes effective.

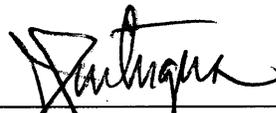
13 **Section 8. Effective Date.** This Act shall take effect upon its approval by the
14 Governor or becoming law without such approval.

CERTIFIED BY:

ATTESTED BY:



ARNOLD I. PALACIOS
PRESIDENT OF THE SENATE



JUSTO S. QUITUGUA
SENATE LEGISLATIVE SECRETARY

Approved this 5th day of October, 2018



RALPH DLG. TORRES
Governor

Commonwealth of the Northern Mariana Islands