



HOUSE OF REPRESENTATIVES

TWENTIETH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

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LEGISLATIVE JOURNAL

2nd Day, Sixth Special Session

Monday, July 31, 2017

The House of Representatives of the Twentieth Northern Marianas Commonwealth Legislature convened its Second Day, Sixth Special Session on Monday, July 31, 2017, at 2:09 p.m., in the House Chamber on Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Rafael S. Demapan, Speaker of the House, presided.

A moment of silence was observed.

ROLL CALL

The Clerk called the roll and all twenty members were present.

Speaker Rafael S. Demapan: Thank you, Clerk. With all members present this session will move forward. Thank you and before I go further, let me just remind our guest today small housekeeping, please put your phone on silent mode. I now recognize the Floor Leader.

Floor Leader Glenn L. Maratita: Thank you, Mr. Speaker. At this time, I would like to offer two suspension motion. I would like to make a motion that we suspend Rule V, Section 8, which is our dress code so we can allow our very good Chairman Lee Pan to participate on the voting. So move.

RULE V. DECORUM AND DEBATE.

Section 8. Dress Code.

All members and officers appearing on the Floor of the House shall be suitably attired. Members shall wear business shirt and tie, and on Fridays may wear formal island wear.

The motion was seconded.

There was no discussion and the motion to suspend Rule V, Section was carried by a majority of "aye" votes. There were several "nay" votes.

Speaker Rafael S. Demapan: Motion carries. Floor Leader.

Floor Leader Glenn L. Maratita: Thank you, Mr. Speaker. On the second suspension motion, I would like to offer a motion that we suspend Rule IX, Section 4 (d) so that the House amends its agenda to include unnumbered bills and resolution and communications not filed within 72 hours of the given notice. So move.

RULE IX. BILLS, RESOLUTIONS AND AMENDMENTS

Section 4. Format of Bills and Resolutions

(d) Bills and resolutions for introduction may be pre-filed with the House Clerk for formal introduction at the next session, provided that it is pre-filed in sufficient time to appear on the session agenda as required under Rule III. The 72-hour notice and agenda requirements may be dispensed with for Special Emergency Sessions and Sessions called by the Governor in accordance with Rule III.

The motion was seconded.

There was no discussion; the Chair recognized the Clerk for a roll call vote.

The Clerk called the roll on the motion to suspend Rule IX, Section 4 (d) with the following results:

Representative Francisco C. Aguon	yes
Representative Edwin P. Aldan	yes
Representative Blas Jonathan “BJ” T. Attao	yes
Representative Donald C. Barcinas	yes
Representative Ivan A. Blanco	yes
Representative Francisco S. Dela Cruz	yes
Representative Joseph P. Deleon Guerrero	yes
Representative Lorenzo I. Deleon Guerrero	yes
Representative Angel A. Demapan	yes
Speaker Rafael S. Demapan	yes
Representative Joseph Lee Pan T. Guerrero	yes
Representative Alice S. Igitol	yes
Representative Jose I. Itibus	yes
Representative Glenn L. Maratita	yes
Representative Janet U. Maratita	yes
Representative Edwin K. Propst	yes
Representative Gregorio M. Sablan, Jr.	yes
Representative John Paul P. Sablan	yes
Representative Vinson F. Sablan	yes
Representative Edmund Joseph S. Villagomez	yes

House Clerk Linda B. Muña: Mr. Speaker, all 20 members voted “yes.”

Speaker Rafael S. Demapan: *Si Yu’us Ma’ase*, Clerk. With all 20 members voting in the affirmative, motion to suspend Rule IX, Section 4 (d) carries. Moving along we will go ahead and go down to Public Comments. Before we proceed, let me just remind our guest that pursuant to the Open Government Act and the Official Rules of the House of Representative public notice and agenda was posted 72 hours in advance. Oral testimony may be presented during the meeting pertaining to any items that are on the day’s agenda, otherwise you may submit your comment in writing to the Speaker of the House on or before the meeting date. For the record, I ask that you

state your name to whom you speak on behalf be it an agency or department, representing a private entity and/or yourself as private citizen. The public is given five-minutes to present their comments. Of course, I will remind of your time and the floor is now open for any public comment. If you wish to speak, the podium will be up right there.

PUBLIC COMMENTS

Two individuals made comments pertaining to the following:

H. B. NO. 20-105: A Bill for an Act to make appropriations for the operations and activities of the Government of the Commonwealth of the Northern Mariana Islands, its agencies, instrumentalities, and independent programs, and to provide budget authority for government corporations for Fiscal Year 2018; and for other purposes.

Mr. Glenn Muna, Acting Commissioner for the Public School System
Ms. Marylou Ada, State Board Chairwoman

The Chair directed the members to item IV, Introduction of Bills, (b) House Local Bills and recognized Representative Blas Jonathan “BJ” T. Attao.

ADOPTION OF JOURNALS

None

INTRODUCTION OF BILLS

House Local Bills:

Representative Blas Jonathan “BJ” T. Attao officially introduced the following House Local Bill and welcomed the members to coauthor the bill:

H. L. B. NO. 20-35

To impose a local license fee on all non-poker electronic gaming devices within the Third Senatorial District; and for other purposes.

REP. BLAS JONATHAN “BJ” T. ATTAO of Saipan, Precinct 3 (*for himself, Representatives Francisco C. Aguon, Francisco S. Dela Cruz, Lorenzo I. Deleon Guerrero, Alice S. Igitol, Jose I. Itibus, Janet U. Maratita, Edwin K. Propst, Gregorio M. Sablan Jr., John Paul P. Sablan, Vinson F. Sablan, and Edmund S. Villagomez*)

The Chair returned to (a) House Bills and recognized Representative Lorenzo I. Deleon Guerrero.

House Bills:

Representative Lorenzo I. Deleon Guerrero officially introduced the following House Bill and welcomed the members to coauthor the bill:

H. B. NO. 20-107

To establish the Street Directory Commission; to update the Saipan master street naming map and complete the street numbering system; and for other purposes.

REP. LORENZO I. DELEON GUERRERO of Saipan, Precinct 5 (*for himself*, Representatives Blas Jonathan “BJ” T. Attao, Donald C. Barcinas, Edwin K. Propst, Vinson F. Sablan, and Edmund S. Villagomez)

Speaker Rafael S. Demapan: *Si Yu’us Ma’ase*, Representative Deleon Guerrero. Your unnumbered bill will be referred on a later date. Any other member? Appears to be none. We will go ahead and go down to item VI, Messages from the Governor.

House Legislative Initiatives: None

INTRODUCTION OF RESOLUTIONS

House Resolutions: None

House Joint Resolutions: None

House Commemorative Resolutions: None

House Concurrent Resolutions: None

MESSAGES FROM THE GOVERNOR

The Clerk announced the following Messages from the Governor:

GOV. COMM. 20-53: (5/22/17) Executive Order 2017-05 – Declaration of a State of Significant Emergency: Commonwealth Utilities Corporation’s Imminent Generation and other Failure and the Need to Provide Immediate Reliable Power, Water and Wastewater services.

Speaker Rafael S. Demapan: *Si Yu’us Ma’ase*, Clerk. Comments or discussion? Recognize Chairman Dela Cruz.

Representative Francisco S. Dela Cruz: Thank you, Mr. Speaker. We’ve received Governor’s Communication 20-53. This is an amended Executive Order to the original order which was 2017-05. It appears that this particular Executive Order or the amended Executive Order was dated 22nd of May 2017. I do understand that there is a time limitation on Executive Order or State of Significant Emergencies, which I believe is 30 days, but let me clarify with the Legal Counsel if this is correct. And if it is correct then this particular executive or amended Executive Order will not be in full force and effect given that the date was back in May 22nd. Legal Counsel, can you clarify.

Speaker Rafael S. Demapan: Counsel, you may respond.

Legal Counsel John Cool: Yes, I believe that’s correct. Executive Orders continue for 30 days. This one would have already expired by now.

Representative Francisco S. Dela Cruz: Thank you, Legal Counsel. With that Mr. Speaker, I would probably request that the Governor resubmit another version that is dated recently. I'll yield for now. Thank you, Mr. Speaker.

Speaker Rafael S. Demapan: Thank you, Chairman. Well noted. We will keep in touch with our Governor. Any other member? Appears to be none.

The Chair directed the members to item X, Communications from Departments and Agencies and recognized the Clerk.

SENATE COMMUNICATIONS

None

HOUSE COMMUNICATIONS

None

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

The Clerk announced the following Communications from the Departments and Agencies:

DEPT./AGCY. COMM. 20-4: (7/20/17) Marianas Visitors Authority submitting 3rd Quarter Report of FY 2017.

There was no discussion; the Chair directed the members to item XVI, Bill Calendar and recognized the Floor Leader.

MISCELLANEOUS COMMUNICATIONS

None

REPORTS OF STANDING COMMITTEES

None

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

None

UNFINISHED BUSINESS

None

RESOLUTION CALENDAR

None

BILL CALENDAR

The Floor Leader made a motion to suspend Rule VII, Section 9.

RULE VII. COMMITTEES GENERALLY

Section 9. Committee Reports; Other documents

(a) Standing or Special Committees shall submit a written report to the Speaker within 60 days from the date the matter was referred to the committee, unless a shorter or longer time is ordered by the Speaker pursuant to a decision by the House Leadership. Subcommittees shall submit reports on matters referred to them as prescribed by the Standing Committee Chair. Standing, special and conference committees shall submit their reports in writing and provide an electronic copy to the Clerk who shall number the reports consecutively in the order received, cause such reports to be reviewed for legal sufficiency, reproduced, and furnished each member of the House at least twenty-four hours prior to the session at which it is to be considered. A committee report shall state findings of facts and conclusions based thereon together with a specific recommendation as to the manner in which the bill, resolution, or other matter referred to the committee should be disposed of by the House. A report recommending a bill or resolution for passage shall clearly state the purpose of the bill. A report on a bill or resolution shall show clearly any proposed amendments and the Clerk shall place such a bill or resolution on the appropriate calendar.

(b) A report shall be considered adopted by a committee when the Chairperson and a majority of the members of the committee have signed the report concurring therein. A member or members not concurring in the report of the majority may so indicate by submitting a minority report which shall be attached to the committee report or by signing with "I do not concur".

(c) When a committee recommends that a bill or resolution be formally filed (indefinitely postponed), the recommendation is reported to the House floor as a committee report to be confirmed by majority vote. Adoption of the committee report by the members has the effect of officially filing the bill.

(d) When, by majority vote, the House adopts a committee report recommending favorable action on a bill or resolution, the bill or resolution as reported by the committee shall be placed on the appropriate calendar for House floor action.

(e) All documents, testimonies, or other evidence submitted to any standing or special committee or subcommittee in connection with any matter referred to the committee or subcommittee shall be the property of the House. The Chair of any committee or subcommittee shall deliver all such documents, testimonies, or other evidence to the House Clerk upon expiration of the term of the House. Such documents, testimonies or other evidence may be attached to committee reports as supporting documents.

The motion was seconded.

There was no discussion and the motion to suspend Rule VII, Section 9 was carried by voice vote. There was no nay vote.

The Chair recognized the Floor Leader.

The Floor Leader made a motion to suspend Rule IX, Sections 9 and 10.

RULE IX. BILLS, RESOLUTIONS AND AMENDMENTS

Section 9. First Reading of Bills and Resolutions

(a) When a bill or resolution is read in the House the first time, the Clerk shall report the bill by title, unless a majority orders it read in full, or by such subdivisions as the motion to read may indicate. The House shall then proceed to debate the measure, and amendments shall be in order. At the conclusion of a debate the House shall vote on passing the measure on First Reading after affording an opportunity for one motion to recommit with or without instructions. If the Measure passes with amendments, the Clerk shall engross such amendments and cause the measure, or any page thereof, to be reprinted as provided in Sections 4 and 6 of this Rule. [Note: Rule IX, Section 9, amended by H. RES. 20-4]

(b) The First Reading of a bill without amendment shall be the only and final reading, and upon its passage, the Clerk shall dispose of it pursuant to Section 14 of this Rule.

(c) If a bill passes First Reading with amendment, the Clerk shall place it on the Bill Calendar for Second Reading the next legislative day.

(d) First Reading of a resolution shall be the only and final reading, and upon its passage, the Clerk shall dispose of it pursuant to Section 14 of this Rule.

Section 10. Second Reading of Bills

(a) When a bill is read in the House a second time, it shall be considered in the same manner as for First Reading, except that no further amendments shall be in order. [Note: Rule IX, Section 10, amended by H. RES. 20-4]

(b) Second Reading of a bill shall be the final reading, and upon its passage, which shall be by Call of the Roll, the Clerk shall dispose of it pursuant to Section 14 of this Rule.

The motion was seconded.

There was no discussion and the motion to suspend Rule IX, Sections 9 and 10 was carried by voice vote. There was no nay vote.

The Chair recognized the Floor Leader.

The Floor Leader made a motion to pass the following on First and Final Reading:

H. B. NO. 20-105

A Bill for an Act to make appropriations for the operations and activities of the Government of the Commonwealth of the Northern Mariana Islands, its agencies,

instrumentalities, and independent programs, and to provide budget authority for government corporations for Fiscal Year 2018; and for other purposes.

The motion was seconded.

Speaker Rafael S. Demapan: *Si Yu'us Ma'ase*, Floor Leader. Again, your motion has been seconded. Discussion on that motion? Before we move forward, can I ask the members, anyone contemplating – coming up with an amendment, if you haven't passed your amendment do you need a five-minutes recess? Short five-minutes recess.

The House recessed at 2:29 p.m.

RECESS

The House reconvened at 2:54 p.m.

Speaker Rafael S. Demapan: *Si Yu'us Ma'ase*, members. Back from our recess. Prior to our recess we were under discussion. Before, I recognize any Representative, let me allow the Chair of Ways and Means perhaps summarize the package, in fact House Bill 20-105. Recognize Chairman Angel.

Representative Angel A. Demapan: Thank you, Mr. Speaker. Good afternoon members and our guests that are joining us today. What we have here in House Bill 20-105 for the most part concurs with the Governor's budget proposal that was submitted to the legislature for consideration. There are a few differences that you will see as a result of the action of your Standing Committee on Ways and Means, Mr. Speaker. That is a movement of \$1.5 Million Dollars increasing by \$1.1 Million Dollars to personnel cost and decreasing the same amount in \$1.1 Million Dollars from operations and that is to provide for additional 15 NOP's that were requested by various departments and agencies, but were not considered in the Governor's proposal. Majority of these NOP's comes from the judicial branch of which certain critical NOP's has been determined by the panel have not been restored at the judicial branch for several years now and given the availability of resources it was the action of this panel to restore critical NOP's to the judicial branch resulting in an increase of about \$660,000 in funding for the judicial branch. You will also see a \$576,000 movement in the Department of Public Works, however this provides no impact in resources or revenues budgeted because it's washed out from the Secretary's business unit to the street lights business unit to ensure that the business unit for street light payments was adequately funded in the right way. There is also about \$600,000.00 that is appropriated to the Legislative Bureau and this is a result of two factors. One, the Governor's proposal proposed a funding level lower than FY17, which if we concurred would result in a displacement of several staff in the Legislative Bureau. So to ensure that we don't displace any of the staff of the bureau, we restored the funding level of the current fiscal year back into this budget bill. There are also additional funds included for the bureau to satisfy the cost associated with procuring a generator for the legislative building and also the necessary generator housing cost that is associated with that project. Mr. Speaker, the movement of resources to accommodate the additional request, essentially the action of the panel was to defund \$1 Million Dollars in the deficit reduction account only because the panel in reviewing the deficit reduction by definition a deficit reduction is determined at the end of the fiscal year

based on surplus funds realized at the end of the fiscal year and not something you budget for at the beginning of the fiscal year. So instead of leaving a deficit reduction account in the beginning of the fiscal year and running the risk of leaving therefore a slush fund, the panel decided to appropriate those monies to the entities that needed it and that is the action that the House has taken. Also without further request by the Governor in his budget proposal to provide a hundred percent reprogramming authority, your standing committee reverted to the statutory provision that accords the Governor 25% in reprogramming authority. Other than that Mr. Speaker, what you find in this budget package remains in the \$150 Million Dollar funds available for appropriation and in the \$150 Million Dollars it includes the \$4.8 Million Dollar budget for and by the Department of Public Lands. Mr. Speaker that is the overview of the budget. What I do want to mention before I yield the floor is two critical entities such as the Public School System and the Department of Public Safety and other law enforcement agencies, the panel is committed to continuing to financially support entities like PSS and our law enforcement agencies in forthcoming supplemental revenues. We have discussed many of the funding needs of PSS and the other entities and it is the pledge of the panel that when supplemental revenues are identified and which we are expecting, anticipating it's not a matter of if we will get it's a matter of when we will get it this panel will continue to entertain the funding needs that were not able to be supported in today's budget package. So just for information for the other agencies that did not get the full request they've submitted to the legislature that we will continue to work toward providing the funding relief that is needed as soon as those additional revenues are made available. Thank you, Mr. Speaker and I am available to respond to any inquiries on the budget if there's any. Thank you.

Speaker Rafael S. Demapan: *Si Yu'us Ma'ase*, Chairman. Further discussion? Recognize Representative BJ Attao.

Representative Blas Jonathan "BJ" T. Attao: Thank you, Mr. Speaker. This is to offer a floor amendment to House Bill 20-105. Floor amendments has been passed out to all the members.

Representative Blas Jonathan "BJ" T. Attao offered the following floor amendment:

Floor Amendment

To: House Bill No. 20-105

Offered by: Representative Blas Jonathan "BJ" Tenorio Attao

AMENDMENT:

Section 712 of House Bill No. 20-105 is hereby amended to read as follows:

"Section 712. Reporting Requirement. The expenditure authorities of the foregoing activities listed in Chapter VII shall submit to the presiding officers of the legislature, at the end of each quarter, a fund status report on the expenditures for personnel and operations of each government entity, and the payments of the public auditor's fee, for the quarter ended and, if applicable, year-to-date totals as of the close of the reporting period. Failure to report on the expenditures of such funds by each respective government entity shall result in a suspension of their future allocations until

the delayed quarterly report has been submitted to the presiding officers of the legislature.”

Consistent with the intent of the forgoing amendment, I hereby also move to allow the Legal Counsel together with the House Clerk to make further non-substantive technical amendments that are strictly necessary to effectuate the intent of this amendment.

Date: July 31, 2017 /s/ Rep. Blas Jonathan “BJ” Tenorio Attao

Reviewed for Legal Sufficiency by:

/s/ House Legal Counsel John Cool

The motion was seconded.

Speaker Rafael S. Demapan: *Si Yu’us Ma’ase*, Representative Attao. Again, your motion has been seconded. Discussion on that motion? Recognize Chairman Blanco.

Representative Ivan A. Blanco: Thank you very much, Mr. Speaker. Colleague Attao, this is a very good amendment, I appreciate you introducing it. Because the judiciary, legislative and executive use the Department of Finance as their – I guess the central finance processing. I understand there are times that even if the branches, you know they are ready with their report to submit here, sometimes running the expenditure report is delayed by Department of Finance. So this particular language holds the other branches hostages because it’s really Finance that should be the one providing the funds status report including whatever program activities. Thank you.

Speaker Rafael S. Demapan: Thank you, Representative Blanco. You may respond Representative Attao.

Representative Blas Jonathan “BJ” T. Attao: Thank you, Mr. Speaker. Thank you for that Representative Blanco. You are absolutely right, but this would actually force the entities that should be reporting to the legislature to make sure that Finance is up to par to their allocations so that they can actually expend their funds rather than spending in the red they would force Finance to make sure that they remit the monies and the reporting gets to the legislature. Failure to that we might continue to spend in the red. This specific language has been and continues to be a part of the budget. The failure portion of the legislature is putting zero teeth to obligate these funds to be accounted for. Therefore, over the years we’ve been over expending for the mere fact that we’re not reporting accurately. Thank you, Mr. Speaker.

Speaker Rafael S. Demapan: Thank you, Representative Attao. Recognize again, Chairman.

Representative Ivan A. Blanco: Thank you, Mr. Speaker. Colleague, would you agree if we include language subsequent language whereby it says the unlined version at the first sentence “each respective government entity including the Department of Finance shall...” because Finance is the one. If you’re the agency and you say, “here is my report” Finance cannot or decides to take – you know they’re busy and then you get – held hostage.

Representative Blas Jonathan “BJ” T. Attao: Sure if the members feel that that’s going to make the amendment stronger put more teeth and make sure the obligations are taken cared of I am absolutely fine with that. If Chairman Blanco have a subsidiary motion to the amendment to add that specific language sure Mr. Speaker. If it’ll make the amendment stronger we just need to make sure that our expenditures are accurate. I believe that the Committee on Ways and Means have taken the last couple months working on producing a budget for the Commonwealths expenditures for fiscal year 2018. I believe that we should also hold expenditure authorities accountable for their expenditures. Therefore, if that’s the language that’s going to make this amendment stronger, I support the subsequent motion by Representative Blanco.

Speaker Rafael S. Demapan: Thank you, Representative Attao. Chairman Blanco do you want to do the subsidiary?

Representative Ivan A. Blanco: If that’s okay just to put more teeth in this requirement.

Speaker Rafael S. Demapan: But you would have to – do you need a quick or you want to do it on ELMO – do you want a quick recess or what?

Representative Ivan A. Blanco: Yes quick recess? Five-minutes Mr. Speaker or I’ll just write it here.

Speaker Rafael S. Demapan: Counsel, can you assist Chairman Blanco.

Representative Ivan A. Blanco: Counsel, how can we word it whereby it says, “each respective government entity” and it reverts to the three branches. What I’m thinking is to spell out the Department of Finance as part of these expenditure authorities.

Speaker Rafael S. Demapan: Let’s have a quick recess.

The House recessed at 3:06 p.m.

RECESS

The House reconvened at 3:10 p.m.

Speaker Rafael S. Demapan: Thank you, members. Back from our recess. Prior to our recess the floor is with Chairman Blanco. Chairman, I would like to ask that you restate your subsidiary floor amendment.

Representative Ivan A. Blanco: Mr. Speaker, I would like to offer a subsidiary amendment to the current amendment on the floor.

Speaker Rafael S. Demapan: You may proceed.

Representative Ivan A. Blanco: On the underlined, if I can just read it out. “Failure to report on the expenditures of such funds by each respective government entity” the subsidiary amendment

states “respective government entity including the Department of Finance shall result in a suspension of their future allocations...” and so forth. So move.

The motion was seconded.

Speaker Rafael S. Demapan: *Si Yu’us Ma’ase*. Your motion has been seconded. Discussion on that amendment. Recognize Chairman Deleon Guerrero.

Representative Joseph P. Deleon Guerrero: Thank you, Mr. Speaker. Mr. Speaker, as I understand it the proposed subsidiary amendment proposes to include Department of Finance in complying with the reporting requirements. If you go up where it says to the beginning with this amendment where it talks about “expenditure authorities of the foregoing activities listed in Chapter VII” expenditure authorities – Chapter VII list the expenditure authorities for the three branches of government, which includes the judicial, the executive branch which is the Governor and the legislature, but obviously the legislature won’t report to itself and all the mayor’s of the three senatorial districts and independent programs. So it requires them to provide a fund status report. When you include the Department of Finance here – the Department of Finance is an expenditure authority for the Department of Finance. For the executive branch it’s really the Governor under Chapter VII. So you’re including the Secretary for the executive branch, but your intention is really to ensure that the judicial branch is protected? I guess. So I don’t know if the proposed amendment would address the concerns that you raised because the Secretary of Finance even though they are the ones preparing – processing all the contracts and payments and so forth, they are not the expenditure authority for the judicial branch it’s the Chief Justice. So I just wonder sometimes when we put amendments we have to be clear that the amendments, one, addresses the concern. I personally don’t think it does that simply because Finance is not the expenditure authority for the judicial branch it’s the Chief Justice. So maybe our Legal Counsel can help us to try to accommodate the concerns raised by Representative Blanco. I just don’t think the current language will suffice. Thank you, Mr. Speaker.

Speaker Rafael S. Demapan: Thank you, Chairman. Before I allow the Counsel to put more clarity, let me ask the Chairman and put more clarity also on your intention. You may proceed Chairman Blanco.

Representative Ivan A. Blanco: Thank you, Mr. Speaker. The current situation and I am glad that PSS is here is their financial system is handled by PSS is that correct? They have their own finance so with this language that compels them to provide the reporting, but with the other branches the Department of Finance is where their financials are processed. So if say judiciary has provided their report on time or before the deadline, but Finance has not provided the fund status then who becomes the hostage and who gets penalized? It’s not the Department of Finance but it’s the judicial branch. Right? Am I making – so the intent of including or specifying the Department of Finance to be part of the reporting is to encourage the Department of Finance to you know be on time with the branches or the expenditure authority in providing the fund status report to this body. Perhaps including the Department of Finance is not the correct word, but say particularly the Department of Finance?

Speaker Rafael S. Demapan: Counsel, I am sure you heard what the Chairman said. Would that suffice or even Chairman Deleon Guerrero can you further expand on that?

Legal Counsel John Cool: I think the problem is we would have to insert separate paragraph or provision in proposing penalties on the Department of Finance for not submitting fund status reports on a timely basis. This right now it adds the Department of Finance to the list after respective government entities and Finance is already on that list so we would have to establish a separate penalty section for the Department of Finance and I think that will be the way or provide an excuse or exception to the individual units that the reporting requirements may be delayed until such time as Finance supplies the fund status reports.

Speaker Rafael S. Demapan: Thank you, Counsel.

Representative Joseph P. Deleon Guerrero: Thank you, Mr. Speaker. You know in looking at that section, Section 712 what it requires is that at the end of each quarter the expenditure authority should submit a fund status report to the presiding officers. The problem of that provision is at the end of each quarter is the last day of that quarter. So when you require any agency to report – to give a fund status report by that day you are basically asking them to have a report at 4:30 of that end of that quarter, which is unrealistic. So maybe to give everyone some breathing room, we should amend that by saying within 30 days of the end of each quarter that would give all the expenditure authorities enough time to be able to reconcile their figures and provide a report and then the penalties is justified because you did give them ample time and that would also take care of everybody. So I wonder what the original author thinks. It would be at the third sentence or third line where it says after “legislature” we could include “within 30 days at the end of each quarter...” that should give it ample time for all the expenditure authorities to be able to report in before they get penalized. So maybe the mover if he agrees can do a subsidiary and then strikeout the Department of Finance amendment that you proposed.

Representative Ivan A. Blanco: I withdraw my motion for an amendment and yield to Representative Deleon Guerrero.

Speaker Rafael S. Demapan: Thank you and recognize Chairman Blanco. You may do that and you may proceed.

Representative Ivan A. Blanco: Thank you, Mr. Speaker. So I move to withdraw the subsidiary amendment.

Several members voiced “no objection”.

Representative Ivan A. Blanco: And include somewhere language whereby it allows the expenditure authorities 30 days to prepare the reporting of this body. Thank you, Mr. Speaker. So offered.

The motion was seconded.

Speaker Rafael S. Demapan: Members let us have a very short recess and allow the Counsel to do it.

The House recessed at 3:20 p.m.

RECESS

The House reconvened at 3:26 p.m.

Speaker Rafael S. Demapan: Thank you, members. Back from our recess. Prior to our recess, Chairman Blanco you still have the floor can you restate your motion.

Representative Ivan A. Blanco: Thank you, Mr. Speaker. If I may, I would like to offer a subsidiary amendment at the end of line 2, “presiding officers of the legislature within 30 days after the end of each quarter...” so strikeout “at” include “within 30 days after the end of each quarter...” so move.

The motion was seconded.

Speaker Rafael S. Demapan: Thank you, Chairman. Your motion has been seconded. Discussion on that motion.

Several members voiced “ready”.

There was no discussion and the motion to adopt the subsidiary amendment offered by Representative Ivan A. Blanco was carried by voice vote. There was no nay vote.

Speaker Rafael S. Demapan: Now going back to Representative Attao – any discussion on that motion?

Several members voiced “ready”.

There was no discussion and the motion to adopt the floor amendment offered by Representative Blas Jonathan “BJ” T. Attao was carried by voice vote. There was no nay vote.

Speaker Rafael S. Demapan: Thank you, members. Now back to our main motion. Further discussion on that main motion? Again, recognize Representative Propst.

Representative Edwin K. Propst: Thank you, Mr. Speaker. Before I introduce my floor amendment, I would just like to say a few words. I would like to acknowledge and thank the hard work that our Chairman of Ways and Means and his committee put forth. I know you guys put in many hours Chairman and we’re grateful. We do realize that when it comes to budget everybody wants whatever they can get and I know you guys strive to give as much as you possibly can, but there’s only so many slices of pie that you can actually pass out. I think you did a most excellent job so I do commend you and thank you. I think everything looks pretty fair. There’s some great things that have been happening and I am fully supportive. I do want to just mention my concerns and why I’m introducing this floor amendment with regard to our salary increase that we are subject to receiving. I just want to remind my colleagues because we always look out after each other and I am just trying to ensure that we are on the right page here. My concerns is one, we are facing currently an Attorney General lawsuit because of our salary increase. The next concern is we may face a tax payer lawsuit and that is a big concern. The other concern I have is public scrutiny in terms of the increase that we are – the proposed increases. There is no doubt in my

mind that salary increases may be justified. I know all of us as elected officials are constantly bombarded. We are the first in line to be asked for everything and we try to give as much as we can and we understand that. Again it doesn't discount the serious challenges that we may face and some of that aside from public scrutiny is the fact that if we are challenged and it is reversed that salary increase that we accepted we might have to give it back or we most likely will give it back if they did find that we violated the constitution or that it was in fact not proper. So those are concerns that I wanted to bring up in my floor amendment and I am not going to boy with it the legal details that was already mentioned in one of the bills I introduced in House Bill 20-39 where I ask to decrease or remove the salary increases. I also want to point out that the Governor and the Lieutenant Governor chose not to give themselves a salary increase in the proposed budget. The Governor kept his salary at \$70,000 the Lieutenant Governor kept his salary at \$60,000. I think that's obviously a very good thing, but also I think perhaps he thinks that there will be challenges. So we do have to look after that and again this are major concerns that I have. With that stated, I would like to introduce a floor amendment.

Representative Edwin K. Propst offered the following floor amendment:

Floor Amendment

To: House Bill No. 20-105

Offered by: Representative Edwin K. Propst

AMENDMENT:

Schedule A of House Bill No. 20-105 is hereby amended to read as follows:

Detail of Funds Re-allocation
FY2018

No.	Activity	BU	NOP	Personnel	Operations	Utilities	Total
1	Police-Saipan	1350	149	\$4,393,657	\$426,953	\$0	\$4,820,610
	Increase		21	\$1,008,685	\$10,087	\$0	\$1,018,772
	Revised total		170	\$5,402,342	\$437,040	\$0	\$5,839,382
2	Current House Members' Salaries	1722	20	\$1,800,704	\$0	\$0	\$1,800,704
	Decrease			(\$614,000)	\$0	\$0	(\$614,000)
	Revised total		20	\$1,186,704	\$0	\$0	\$1,186,704
3	Current Senate Salaries	1762	9	\$939,671	\$0	\$0	\$939,671
	Decrease			(\$276,300)	\$0	\$0	(\$276,300)
	Revised total		9	\$663,371	\$0	\$0	\$663,371
4	Saipan Mayor	1061	70	\$1,779,099	\$784,036	\$30,000	\$2,593,135
	Decrease			(\$31,800)	(\$318)		(\$32,118)
	Revised total		70	\$1,747,299	\$783,718	\$30,000	\$2,561,017
5	NI Mayor	1060	17	\$383,443	\$171,633	\$10,000	\$565,076
	Decrease			(\$31,800)	(\$318)		(\$32,118)
	Revised total			\$351,643	\$171,315	\$10,000	\$532,958
6	Rota Mayor	1065	97	\$2,149,844	\$263,924	\$465,136	\$2,878,904
	Decrease			(\$31,800)	(\$318)		(\$32,118)
	Revised total		97	\$2,118,044	\$263,606	\$465,136	\$2,878,904
7	Tinian Mayor	1063	111	\$2,604,218	\$641,718	\$465,136	\$3,711,072
	Decrease			(\$31,800)	(\$318)		(\$32,118)

Revised total	111	\$2,572,418	\$641,400	\$465,136	\$3,678,954
Reconciliation:					
Total Debit					\$1,018,772
Total Credit					<u>\$1,018,772</u>
Balance					\$0

Consistent with the intent of the forgoing amendment, I hereby also move to allow the Legal Counsel together with the House Clerk to make further non-substantive technical amendments that are strictly necessary to effectuate the intent of this amendment.

Date: July 31, 2017

/s/ Rep. Edwin K. Propst

Speaker Rafael S. Demapan: Thank you, Representative Propst. I haven't hear any second on your motion did I?

Several members voiced "second."

There was no discussion and the motion to adopt the floor amendment offered by Representative Edwin K. Propst was carried by voice vote. There was a majority of "nay" votes, hence the amendment was defeated.

Speaker Rafael S. Demapan: Obviously, there's no division it appears that the "nay" has it more. Floor amendment has been defeated. Thank you, members. Recognize Representative Vinny Sablan.

Representative Vinson Edward F. Sablan: Thank you, Mr. Speaker. In line with the content of the defeated floor amendment, I would also like to thank the members and the Chairman of Ways and Means of the work and hours you put in you know very tedious and just for legal clarification, maybe a question to the Legal Counsel. So, the adjustment under the legislative branch on the Schedule A, Business Unit 1722. Does that apply with Article 2, Section 10 of the CNMI Constitution, which provides for compensation?

Speaker Rafael S. Demapan: Counsel, you may respond. Counsel can you speak louder.

Legal Counsel John Cool: You are referring to Schedule A? Which business unit?

Representative Vinson Edward F. Sablan: Under the legislative branch.

Legal Counsel John Cool: Yes.

Representative Vinson Edward F. Sablan: So it does comply with Article 2, Section 10 of the CNMI Constitution. I just want to be sure, I have Section 10 compensation in front of me there are in that first paragraph, number one, "No change in salary may be made that exceeds the percentage change in an accepted composite price index for the period since the last change. An increase in salary may not apply to the legislature that enacted it." There is some language in this section. I just want to make sure that that doesn't contradict the actual adjustment in the business unit. So I believe a legal clarification or your legal interpretation of that section of Article II maybe should be in place before we move on.

Speaker Rafael S. Demapan: Counsel, do you need more time?

Legal Counsel John Cool: No, I'm just with a little delay in getting it up here. The salary of the members may not be changed once more than every four-years. I don't think there's a problem there. "No change in salary may be made that exceeds the percentage change in an accepted composite price index..." that may be a problem because the advisory commission rounded the figures up a little bit in making the recommendation.

Representative Vinson Edward F. Sablan: And the last sentence?

Legal Counsel John Cool: But we don't have – "An increase in salary may not apply to the legislature that enacted it." There's no problem there, the salary increase was enacted by the 19th and this is the 20th legislature that will be effected by the new salaries.

Speaker Rafael S. Demapan: You may.

Representative Vinson Edward F. Sablan: So the only concern would be that of the commission right or the committee and the work that was performed in the 19th legislature for the consumer price index, correct?

Legal Counsel John Cool: That's an assumption we don't have detailed minutes of calculations that were made by the advisory commission. They provided numbers, but they didn't give the exact dates as they will use as a basis of determining that amount. So it's difficult to second guess them in how they arrive with their number and their recommendations. Court can review it and I don't know what information has been submitted to the court on that issue.

Representative Vinson Edward F. Sablan: One more question, John thank you for answering that. I'll move along. Will the action today or the adjustment in this business unit affect the current lawsuit that is in place by the AG's office versus the Secretary of Finance?

Legal Counsel John Cool: Not necessarily because the lawsuit is based on the statute as enacted and the action of having the appropriation follow with what the statute says doesn't affect the statute doesn't affect the basis for the Attorney General's lawsuit. It remains the same.

Representative Vinson Edward F. Sablan: Thank you. I yield Mr. Speaker, question answered.

Speaker Rafael S. Demapan: Thank you, Representative Sablan. Let me now recognize Chairman Joe Deleon Guerrero.

Representative Joseph P. Deleon Guerrero: Thank you, Mr. Speaker. Thank you, John for the clarification. I wonder with regards to that one sticking point the CPI formula. The basis for that formula for them to compute what it should be today would have been the \$8,000.00 that the elected officials members of the legislature's salary were or was back then is that correct John. The basis would have been the \$8,000.00 and if the answer is yes, I understand that while their salary was \$8,000.00 they also were allowed an OR, which they could use and that bumped up their salary somewhere around \$21,000.00. Is that correct John?

Legal Counsel John Cool: That is correct.

Representative Joseph P. Deleon Guerrero: So assuming the real basis is not \$8,000.00 that it's \$21,000.00, would the \$70,000.00 be well within what it should be using the same formula?

Legal Counsel John Cool: \$20,000.00 increase was enacted, the legislature also suspended the legislative allowance so that the legislature would not give an additional salary or an additional allowance an addition to the salary. The allowance is unlimited it could be any amount just like it was back when the original salary was \$8,000.00 it was about 2016, but it brought it up into the \$20,000.00 with the allowance. And then when the salary increase subsequently enacted – I forgot what public law that was – but they suspended the allowance that compensated for the increase. This adjustment, percentage increase would have been based on these change in the legislative salaries from the time that the \$39,500 salary was enacted to the time that the committee members had done their report. So depending on what formula's were used by the advisory committee it's possible that the index that they chose and that they used today or at the time the law was enacted was higher than what was reflected in the report. We don't have the report or the background information to determine the basis for their decision.

Representative Joseph P. Deleon Guerrero: Thank you, John. Thank you, Mr. Speaker. Thank you, Chairman Angel.

Speaker Rafael S. Demapan: Thank you, Chairman. Further discussion? Recognize Minority Leader.

Representative Edmund Joseph S. Villagomez: Thank you, Mr. Speaker. Again, thank you to my fellow colleagues at the committee for the work. Unfortunately, I was not able to make the last day when the committee was wrapping up, but prior to that I remember we were discussing taking out money from certain business accounts from certain programs and what I'm seeing now the current budget bill that we're looking at there is \$100,000.00 in operations for the Lady Diann Foundation and on the Schedule A that I received the copy from Representative BJ Attao who sat in for me it was zeroed out. I remember, I think we discussed that before that Wednesday that we were going to take that out along with other things. So, I guess my question is or I would just like to know what happened in the meeting or today, how did this \$100,000.00 go back into the program. Thank you.

Speaker Rafael S. Demapan: Thank you, Minority Leader. Let me ask the Chair to respond to that.

Representative Angel A. Demapan: Thank you, Mr. Speaker. Thank you for that question Minority Leader. I did relay this information to Representative Attao the day after, but what happened here is the day we discussed this in meeting we were trying to move \$368,000.00 if you remember? So, after we took that action we went back with the fiscal analyst and we reviewed the numbers and it so happened that we had to move \$268,000 and not \$368,000 and I think you were gone, but I had asked the remaining 14 members for their concurrence and in the presence of the Legal Counsel whether we can restore the \$100,000 which technically not restoring it because we didn't need to take it out. So that's what transpired with the concurrence of the members and Legal Counsel that was put back on the worksheet and I informed colleague

Attao who represented you on the last day of that meeting. Unfortunately it didn't happen before you left, but that's what happened was just the difference in how much was needed to be reduced. So it wasn't really restoring it back it was – shouldn't have been touched in the first place. I hope that clarifies.

Representative Edmund Joseph S. Villagomez: Thank you, so clarified.

Speaker Rafael S. Demapan: *Si Yu'us Ma'ase*, Chairman. Chairman Blanco.

Representative Ivan A. Blanco: Thank you, Mr. Speaker. This is to the Legal Counsel. Just to verify a very minor typo, a possible typo. On page 31, line 19 Counsel would you kindly verify whether the 6001 the subsection 6001 should be subsection 7101?

Speaker Rafael S. Demapan: Counsel, do you need more time? Short recess.

The House recessed at 3:49 p.m.

RECESS

The House reconvened at 3:57 p.m.

Speaker Rafael S. Demapan: Thank you, members. Back from our recess. Prior to our recess, Chairman Blanco had the floor and you poised a question whether it's technical or not. Counsel, what was you finding?

Legal Counsel John Cool: That would be a technical. It refers to the act correctly it just makes the wrong citation.

Speaker Rafael S. Demapan: Thank you, Counsel. No objection? Consider it technical?

Several members voiced "no objection".

Speaker Rafael S. Demapan: Thank you. Again, let me ask the Chairman to briefly clarify some issues here on page 30. You may proceed Chairman.

Representative Angel A. Demapan: Thank you, Mr. Speaker. Since, we're on a technical issues, I have another technical request. On page 30, pertaining to the Tobacco Settlement Fund, on line 8 if you add up lines 9 through 14 the figure is different from line 8 it's off by sixty-six cents. So, if I could ask Legal Counsel if we can treat it as technical to insert sixty-six cents after \$1,637,672.00.

Several members voiced "no objection".

Legal Counsel John Cool: Technical.

Representative Angel A. Demapan: Thank you, Counsel. Further, Mr. Speaker if there's no further objection, I would like to make a correction to the percentage on line 11 and the

Representative Edwin P. Aldan	yes
Representative Blas Jonathan “BJ” T. Attao	yes
Representative Donald C. Barcinas	yes
Representative Ivan A. Blanco	yes
Representative Francisco S. Dela Cruz	yes
Representative Joseph P. Deleon Guerrero	yes
Representative Lorenzo I. Deleon Guerrero	yes
Representative Angel A. Demapan	yes
Speaker Rafael S. Demapan	yes
Representative Joseph Lee Pan T. Guerrero	yes
Representative Alice S. Igitol	yes
Representative Jose I. Itibus	yes
Representative Glenn L. Maratita	yes
Representative Janet U. Maratita	yes
Representative Edwin K. Propst	no
Representative Gregorio M. Sablan, Jr.	yes
Representative John Paul P. Sablan	yes
Representative Vinson F. Sablan	no
Representative Edmund Joseph S. Villagomez	no

House Clerk Linda B. Muña: Mr. Speaker, 17 members voted “yes” and 3 members voted “no.”

Speaker Rafael S. Demapan: *Si Yu’us Ma’ase*, Clerk. With 17 members voting in the affirmative, House Bill 20-105, HD2 hereby passes the House. Thank you, members. We are through with item XVI that is the Bill Calendar. Miscellaneous Business? Recognize Floor Leader.

Floor Leader Glenn L. Maratita: Mr. Speaker, just to clarify. The amendment that was offered by Chairman Demapan was HD2 and I thought we were entertaining HD2.

Speaker Rafael S. Demapan: Yes, we did entertain HD2 and we disposed of that motion. We did act on it then we moved on to the main motion and that’s what’s the –

Floor Leader Glenn L. Maratita: So clarified.

Speaker Rafael S. Demapan: Thank you, Floor Leader.

MISCELLANEOUS BUSINESS

Speaker Rafael S. Demapan: Now we are on item XVII, Miscellaneous Business, recognize the Chairman.

Representative Angel A. Demapan: Thank you, Mr. Speaker. I just want to – as Chair of the Committee on Ways and Means, I just want to thank you Mr. Speaker and the 14 members of the Committee on Ways and Means for the work on preparing this budget package for consideration by the House. We have spent a good two and a half months working on this budget package, which we are pleased to present today for consideration and action. As Chair, I am grateful for the support of the members for the House product to now be able to be transmitted to the Senate and to give the Senate ample time to do their review and their work. And in the event that it needs to come back here, we have ample time also to work on any changes and to ensure at the end of the day that we avoid a government shutdown. I do also want to thank colleague BJ Attao

who sat in on behalf of the Minority Leader in our final day of meetings and to the rest of the members for spending your time to go through the product that we produced out of the committee it was a very arduous process because I think for the first time in the legislature's history, the committee composition is at fifteen members. So sometimes at fifteen members it's hard to agree on certain things, but I think in the spirit of increased resources and revenues there was a lot of wiggle room to accommodate most if not all the request that was proposed by the Governor and some that were not proposed, but requested by Department and Agencies. We are well aware that supplemental revenues are on the horizon and I want to restate again our commitment to satisfying the government's obligations. I think in the past week in our last session we exercised the distribution of \$20 Million Dollars to help the government satisfy long standing and high interest accruing obligations and debt in the form of land compensation. Today with the appropriation bill, you will see that every government activity received an increased amount of revenues when compared to the current fiscal year. So I think that the work that we've seen in our last session and today is reflective of not just taking advantage of additional resources, but taking this opportunity to also get large debts off the books and exercising the government's fiduciary duty to make whole with the people that we owe money to. So on behalf of the committee Mr. Speaker, we thank you also for giving us the opportunity to exercise our work. On my behalf, I thank all of you in the committee and all of you my esteemed colleagues for your understanding and your cooperation. I also want to recognize the presence of judiciary and PSS and any other government entity that's here today. I know – we hear your concerns loud and clear and I've been working with several representatives from your agencies and we will continue to work in the coming weeks and months to ensure that we continue to accommodate the request that you have. So again, thank you and God bless the Commonwealth.

Speaker Rafael S. Demapan: Thank you, Chairman. If I may, I also would like just briefly as Speaker. *Ya hu lokkue bai na'i lokkue un dánkolo na si Yu'us Ma'ase para si Angel Chairman i Ways and Means and of course lokkue i man ga'chong mu Chairman ni man gaige i miembron i Ways and Means.* I do understand that the work has yet to – in fact we just started moving the budget from the House to the Senate. So with that Chairman *un dánkolo na si Yu'us Ma'ase.* Also meeting the government fiscal challenges is a very complicated and a big challenge in itself and though having an approved balanced budget passed the House today is a significant process and steady forward. Having it passed the Senate will be the next challenge. However, I am confident that the Senate will also do their due diligence in getting the budget passed. With that, I recognize all of you in support of the passage of the budget bill and I also thank the Legislative Bureau staff for their assistance and all the departments who were called upon during this budget process. For those who didn't support the passage of the budget today, I still thank you for your input, but for the greater good of our Commonwealth, our people and public service we must provide. We must move forward. As stated by the Chairman also, although there still needs for some unfunded entities, I can assure you that this body will continue to identify other funding sources to address such shortfalls. So know that our budgeting work does not end here. I end by emphasizing that every dollar appropriated in this budget bill came from our taxpayer dollars and hence a large part of our Commonwealth economic activities. So with that *un dánkolo na si Yu'us Ma'ase,* Chairman and of course everyone here. Any other member? If not, Chairman.

Representative Angel A. Demapan: Thank you, Mr. Speaker. Not to offer a rebuttal, but also to echo in addition to your appreciation and in addition to recognizing them at the last final committee meeting for the budget deliberation, I also want the record to reflect the sincere

gratitude and appreciation of the committee. To the staff of the Legislative Bureau who spent many hours working with our fiscal analyst team to put this package together and to support the committee at every budget hearing and every committee meeting as we put together the final package. So to everybody in the Legislative Bureau from the director and staff, we offer our appreciation as well.

Speaker Rafael S. Demapan: *Si Yu'us Ma'ase*, Chairman. So with that we move on to item XVIII, Announcement? Appears to be none. Recognize the Floor Leader.

ANNOUNCEMENTS

None

ADJOURNMENT

Floor Leader Glenn L. Maratita: Thank you, Mr. Speaker. At this time, I would like to make a motion to adjourn subject to your call.

The motion was seconded and carried by voice vote. There was no nay vote.

The House adjourned at 4:13 p.m.

Respectfully submitted,

Venetia S. Rosario
House Journal Clerk

APPEARANCE OF LOCAL BILLS

FIRST LEGISLATIVE DAY: 1st Legislative appearance of a local bill is on the day it is introduced.

SECOND LEGISLATIVE DAY:

H. L. B. NO. 20-31: To amend the Saipan Official Zoning Map Sheets 20 and 24 of 29 to rezone certain lots from “Village Commercial” zoning districts to “Mixed Commercial” zoning districts. Introduced by REP. JOHN PAUL P. SABLAN of Saipan, Precinct 2 (*for himself*) on July 28, 2017.

THIRD LEGISLATIVE DAY:

H. L. B. NO. 20-29: To amend the Saipan Official Zoning Map Sheets 05 of 29 to rezone certain lots from “Rural” zoning districts to “Tourist Resort” zoning districts. Introduced by REP. JOHN PAUL P. SABLAN of Saipan, Precinct 2 (*for himself*) on July 6, 2017.

H. L. B. NO. 20-30: To amend the Revised Tinian Casino Gaming Control Act of 1989 to provide for internet gaming; to amend casino license fee and tax rate; and for other purposes. Introduced by REP. EDWIN P. ALDAN of Tinian, Precinct 6 (*for himself*) on July 6, 2017.
