



GOV. COMM. 20-100
(HOUSE)

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Ralph DLG. Torres
Governor

Victor B. Hocog
Lieutenant Governor

26 SEP 2017

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. 20-54, entitled, "To mandate all government corporations, autonomous agencies and regulatory agencies to submit their annual budget to the office of the Governor which shall be included in the Governor's annual budget proposal; to establish a penalty provision for the failure of such government entities to timely submit their annual budget to the office of the Governor; and for other purposes," which was passed by the Senate and the House of Representatives of the Twentieth Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 20-15**. Copies bearing my signature are forwarded for your reference.

Sincerely,

RALPH DLG. TORRES

RECEIVED BY [Signature]
DATE: 10/2/17 TIME: 10:46 a

- cc: Lt. Governor; Press Secretary; Northern Marianas Retirement Fund; Northern Marianas Housing Corporation; Marianas Public Land Trust; Marianas Visitors Authority; Commonwealth Ports Authority; Commonwealth Healthcare Corporation; Commonwealth Utilities Corporation; Commonwealth Development Authority; Commonwealth Public Utilities Commission; Commonwealth Gaming Commission; Public Auditor; Special Assistant for Administration; Special Assistant for Programs and Legislative Review



THE SENATE
TWENTIETH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

SENATE BILL NO. 20-54

AN ACT

To mandate all government corporations, autonomous agencies and regulatory agencies to submit their annual budget to the office of the Governor which shall be included in the Governor's annual budget proposal; to establish a penalty provision for the failure of such government entities to timely submit their annual budget to the office of the Governor; and for other purposes.

SENATE ACTION

Offered by Senator(s): Justo S. Quitugua

Date: July 20, 2017

Referred to: Committee on Fiscal Affairs

Standing Committee Report No.: None

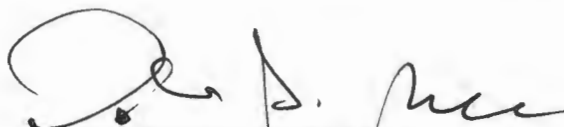
First and Final Reading: August 03, 2017

HOUSE ACTION

Referred to: None

Standing Committee Report No.: None

First and Final Reading: August 18, 2017


DOLORES S. BERMUDES
SENATE CLERK



THE SENATE
TWENTIETH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

SIXTH SPECIAL SESSION, 2017

S. B. NO. 20-54

AN ACT

To mandate all government corporations, autonomous agencies and regulatory agencies to submit their annual budget to the office of the Governor which shall be included in the Governor's annual budget proposal; to establish a penalty provision for the failure of such government entities to timely submit their annual budget to the office of the Governor; and for other purposes.

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

1 **Section 1. Findings and Purpose.** The Legislature finds that for many years
2 certain government corporations required by 1 CMC § 7206 to submit their annual budget
3 to the office of the Governor to be included in the Governor's annual budget proposal have
4 failed to do so. Government corporations are defined by 1 CMC § 7103(n) and includes
5 the Northern Marianas Retirement Fund, the Northern Marianas Housing Corporation, the
6 Marianas Public Land Trust, the Marianas Visitors Authority, the Commonwealth Ports
7 Authority, the Commonwealth Healthcare Corporation, and any other public corporation
8 created by a specific Commonwealth law.

9 Specifically, the Marianas Public Land Trust (MPLT) and the Commonwealth
10 Utilities Corporation (CUC), which was initially created by Public Law 4-47, have
11 continuously failed to comply with 1 CMC § 7206. Although the Legislature may not be
12 required to approve the annual of these government entities, these entities are mandated by
13 1 CMC § 7206 to submit their annual budget to the office of the Governor for inclusion in
14 the Governor's annual budget proposal.

15 The Legislature finds that it is important to review the annual budget of all
16 government corporations and agencies when deliberating on the annual appropriations of

1 the Commonwealth government. The fiscal health and integrity of all government
2 corporations and agencies are critical to the economic growth of the Commonwealth
3 economy. The Legislature further finds that that the annual budget of all government
4 corporations and agencies provide critical data to assist the legislature in making policy
5 and fiscal decisions for the Commonwealth government. For instance, some government
6 corporations and agencies require the full faith and credit of the Commonwealth
7 government through legislative approval in order to float bonds and secure loans including
8 loans to comply with federal stipulated orders. Although government corporations,
9 autonomous agencies, and regulatory agencies are somewhat independent in their
10 operations, such government entities are always subject to legislative review and oversight.

11 Accordingly, the purpose of this legislation is to mandate all government
12 corporations, autonomous agencies, and regulatory agencies to submit their annual budget
13 to the office of the Governor which shall be included in the Governor's annual budget
14 proposal and to establish a penalty provision for any failure of such government entities to
15 timely submit their annual budget to the office of the Governor.

16 **Section 2. Amendment.** 1 CMC § 7103(n) is amended as follows:

17 “(n) “Government corporation” includes the Northern Marianas Retirement Fund,
18 the Northern Marianas Housing Corporation, the Marianas Public Land Trust, the
19 Marianas Visitors Authority, the Commonwealth Ports Authority, the Commonwealth
20 Healthcare Corporation, the Commonwealth Utilities Corporation, and any other public
21 corporation created by a specific Commonwealth law.”

22 **Section 3. Amendment.** 1 CMC § 7206 is amended as follows:

23 **“§ 7206. Budget Preparation.**

24 (a) Each government corporation as defined by 1 CMC § 7103(n), autonomous
25 agency and regulatory agency shall prepare annually a business-type budget program
26 which shall be submitted to the Governor or his designee under such rules and regulations
27 as the office of the Governor may establish as to the date of submission, the form and
28 content, the classification of data, and the manner in which such budget shall be prepared
29 and presented. The budget program shall be a business-type budget, or plan of operations,

1 with due allowance given to the need for flexibility, including provision for emergencies
2 and contingencies, in order that the corporation or agency may properly carry out its
3 activities as authorized by law.

4 (b) [Unchanged.].

5 (c) Except for the Marianas Public Land Trust, The budget programs of each
6 government corporation or agency shall be transmitted to the legislature for approval,
7 rejection, or modification as a part of the annual budget submission.

8 (d) [Unchanged.].

9 (e) For purposes of this section, autonomous agency and regulatory agency
10 includes the Commonwealth Development Authority, the Commonwealth Public Utilities
11 Commission and the Commonwealth Gaming Commission.

12 (f) Failure of government corporations including the Marianas Public Land Trust,
13 autonomous agencies, and regulatory agencies to timely submit their annual budget to the
14 office of the Governor as mandated by subsection (a) of this section shall be subject to a
15 fine of \$5,000.00 which shall be paid to the CNMI Treasury.”

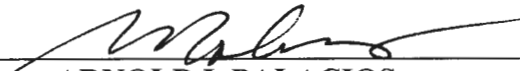
16 **Section 4. Severability.** If any provision of this Act or the application of any such
17 provision to any person or circumstance should be held invalid by a court of competent
18 jurisdiction, the remainder of this Act or the application of its provisions to persons or
19 circumstances other than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

20 **Section 5. Savings Clause.** This Act and any repealer contained herein shall not
21 be construed as affecting any existing right acquired under contract or acquired under
22 statutes repealed or under any rule, regulation, or order adopted under the statutes.
23 Repealers contained in this Act shall not affect any proceeding instituted under or pursuant
24 to prior law. The enactment of the Act shall not have the effect of terminating, or in any
25 way modifying, any liability, civil or criminal, which shall already be in existence on the
26 date this Act becomes effective.

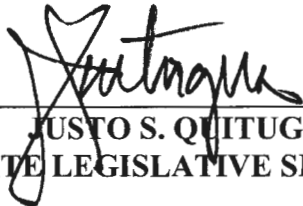
27 **Section 6. Effective Date.** This Act shall take effect upon its approval by the
28 Governor or becoming law without such approval.

SENATE BILL NO. 20-54

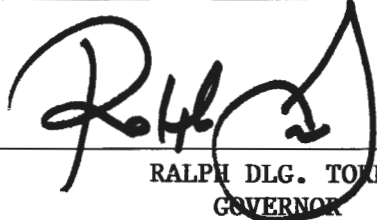
CERTIFIED BY:


ARNOLD I. PALACIOS
PRESIDENT OF THE SENATE

ATTESTED BY:


JUSTO S. QUITUGUA
SENATE LEGISLATIVE SECRETARY

Approved this 26th day of September, 2017


RALPH DLG. TORRES
GOVERNOR

Commonwealth of the Northern Mariana Islands