

THE SENATE • TWENTIETH LEGISLATURE • COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS



Senate
FOURTH SPECIAL SESSION - 2017

SJ 20-10

First Day

Friday, June 30, 2017

In compliance with the Open Government Act, Senate President, Arnold I. Palacios, issued a session call on June 26, 2017, that the Senate of the Twentieth Northern Marianas Commonwealth Legislature will convene this open and public session. The notice, the official session call, and the session agenda was filed in the Office of the Senate Clerk; released to the media; and posted at the Entrance Halls of the Office of the Governor, the Senate and the House of Representatives, posted on the Commonwealth Legislature's website at www.cnmileg.gov.mp.

The Senate of the Twentieth Northern Marianas Commonwealth Legislature convened its 1st Day, Fourth Special Session, on June 30, 2017, at 9:00 a.m., in Rota, Mayor's Conference Room, Rota, Commonwealth of the Northern Mariana Islands.

The Honorable Arnold I. Palacios, President of the Senate, presided.

A moment of silent prayer was observed.

President Palacios: Clerk, please call the roll.

The Senate Clerk called the roll, seven (7) members are present, two absent.

President Palacios: With seven members present, we have established a quorum to conduct our session this morning. Please, have the record reflect that, Senator Mesngon, is hereby excused, so as, Senator Mangloña. Unfortunately, Senator Mesngon, couldn't make the flight in on time, so, he asked to be excused. With that, we go to agenda Item B, Public Comment.

PUBLIC COMMENT

President Palacios: The floor is now open for the members to receive public comment, if there is. Any comment from any member of the public? Please, step up to the table and state your name. Any comment? Any comment from the Governor's Office? Please, have the record reflect that there is no public comment this morning. Reading and Approval of Journals. Clerk?

READING AND APPROVAL OF JOURNALS

CLERK: We have none, Mr. President.

President Palacios: We move to agenda Item D, Messages from the Governor. Clerk?

MESSAGES FROM THE GOVERNOR

The Clerk voiced Governors Messages Nos. 20-64 to 20-78.

President Palacios: Are there any comments from any member, on any of the communications from the Governor? On some of these appointments, 20-64 and 20-66, I asked the Committee on EAGI, to please, take a look at the package that have been submitted, to make sure that they are in order and they are in complete package. Let me recognized, Senator Cruz.

Senator Cruz: Mr. President, on Governor's Communications Nos. 20-70, 20-71 and 20-72, we have scheduled a Public Hearing for these nominees on July 5th. So, just to remind members of my Committee on EAGI, that there's already scheduled Public Hearing for all these three messages from the Governor. Thank you, Mr. President.

President Palacios: Thank you, Mr. Chairman. We move on to agenda Item E, Communication from Judiciary.

COMMUNICATONS FROM THE JUDICIARY

CLERK: We have none, Mr. President.

President Palacios: We move on to agenda Item F. Clerk?

COMMUNICATIONS FROM HEADS OF EXECUTIVE DEPARTMENT

The Clerk voiced Department Communications Nos. 20-18 to 20-21.

President Palacios: Any member wants to comment or have any reflection on any of these communications? There being none, we move on to agenda Item G.

COMMUNICATIONS FROM THE HOUSE

CLERK: None, Mr. President.

President Palacios: Agenda Item H.

COMMUNICATIONS FROM THE SENATE

The Clerk voiced Senate Communications Nos. 20-74 to 20-83.

President Palacios: Any member wants to make any statements or have any comments on these communications? We move on to agenda Item I.

COMMUNICATIONS FROM THE WASHINGTON DELEGATE

CLERK: None, Mr. President.

President Palacios: Agenda Item J.

UNFINISHED BUSINESS

CLERK: None, Mr. President.

President Palacios: Agenda Item K, Pre-filed Bills, Initiatives, Local Bills and Resolutions.

PRE-FILED BILLS, INITIATIVES, LOCAL BILLS AND RESOLUTIONS

President Palacios: Floor Leader?

Floor Leader Borja: Thank you, Mr. President. We do have four on our Calendar. Senate Bill No. 20-48, "To amend 3 CMC § 1506 to change the position of administrative librarian to public library director; and for other purposes," introduced by Senator Justo S. Quitugua; Senate Bill No. 20-49, "To establish regulations for the use of airspace of the Commonwealth and related activities; and for

other purposes,” introduced by Senator Sixto K. Igisomar; Senate Bill No. 20-50, “To amend 2 CMC §2122 to authorize the Commonwealth Ports Authority to develop and expand the air service to the Commonwealth; and for other purposes,” introduced by Senator Sixto K. Igisomar; and Senate Resolution No. 20-03, “To amend Rule 8 of the Official Rules of Procedure of the Senate of the Twentieth Northern Marianas Commonwealth Legislature,” introduced by Senator Justo S. Quitugua. That is all the pre-filed bills and resolutions, Mr. President.

President Palacios: Thank you, Floor Leader.

INTRODUCTIONS OF BILS, INITIATIVES, LOCAL BILS & RESOLUTIONS

President Palacios: We are on agenda Item L. Are there any unnumbered introductions of bills, resolutions? There being none. We move down to agenda Item M.

REPORTS OF STANDING COMMITTEES

The Clerk voiced out Standing Committee Reports Nos. 2-20 and 20-21.

President Palacios: Before we proceed, I was asked to ask the members of the Senate for consideration on Standing Committee Report No. 20-20, relative to the appointment of Mr. Vincent S. Attao, to serve as the Commissioner of the Department of Correction. Some of us know that, Mr. Attao. is off-island on a family emergency and he asked that, we hold action on his nomination until he gets back. He really appreciated if, we can do this, he wants to be present when the Senate takes up this action. If there is no objection, Mr. Chairman, I ask that we just hold up on acting on Standing Committee Report No. 20-20. We are under the Reports of Standing Committees. I recognized the Floor Leader.

Floor Leader Borja: Thank you, Mr. President. We do have two appearing on our Calendar. However, at your request, we will be deferring action on Standing Committee Report No. 20-20. At this time, I move for the adoption of Standing Committee Report No. 20-21, from the Committee on Executive, Appointments and Government Investigations, reporting on the appointment of Mr. Anthony T. Benavente, to serve as the Secretary for the Department of Lands and Natural Resources, so, move.

The motion has been seconded.

President Palacios: Motion has been made for the adoption of Standing Committee Report No. 20-21, that motion has been seconded and the Committee Report is in relative to the appointment of Mr. Anthony T. Benavente to serve as the Secretary for the Department of Lands and Natural Resources. At this time, I recognized the Chairman of EAGI. Before I do that, Senator Hofschneider.

Senator Hofschneider: Thank you, Mr. President. Are we under discussion? I yield until under discussion.

President Palacios: We are under discussion, at this point, I would like to ask the Chair, on Executive, Appointments and Government Investigations, this is their committee report to give us a briefing. Chairman Cruz?

Senator Cruz: Thank you, Mr. President. Mr. President, your Committee on Executive, Appointments and Government Investigations is ready to present Standing Committee Report No. 20-21, this is the appointment of Mr. Anthony T. Benavente. Mr. President, your Committee on Executive Appointments and Government Investigations, to which was referred the appointment of Mr. Anthony T. Benavente to serve as the Secretary of the Department of Lands and Natural Resources begs leave to report as follows, Pursuant to Article III, Section 14 of the NMI Constitution, I CMC §2652, Mr. Anthony T. Benavente was nominated by Governor Ralph DLG. Torres on May 22, 2017, to serve as the Secretary of the Department of Lands and Natural Resources. The Committee on Executive Appointments and Government Investigations recommends that the Senate give its advice and consent to the appointment of Mr. Anthony T. Benavente to serve as the Secretary of the Department of Lands and Natural Resources. Your committee has examined all pertinent documents submitted relating to Mr. Anthony T. Benavente's overall credentials. In addition, your committee took into account all written and oral testimonies presented during the public hearing. After much deliberation and base on the overall assessment of Mr. Anthony T. Benavente's credentials, experiences, testimonies and other relevant issues considered, your committee is convinced that Mr. Anthony T. Benavente possesses the qualification and leadership skills necessary to serve as the Secretary of the Department of Lands and Natural Resources. Again, I ask the full member of this body to please support Senate Standing Committee Report No. 20-21. Thank you, Mr. President.

President Palacios: Thank you, Senator Cruz. I now recognized, Senator Hofschneider.

Senator Hofschneider: *Si Yu'us ma'ase*, Mr. President. Before I say my statement, I wanted also to greet the nominee of the Secretary of Lands and Natural Resources, Mr. Anthony T. Benavente. We got so much lands in the CNMI, therefore, we can get it. Mr. Mayor, it's always a pleasure to see you here and thank you, for allowing us to be here again. I also want to recognize a special individual that I have the highest respect and I worked with him alongside for a long time, Mr.

Brown, welcome to Rota, and to the rest of you, SAA, of course, Gus. But, nevertheless, Mr. Chairman and Mr. President, I'm in full support of the nominee. I do, however, want to reiterate our discussion during the hearing, as well as, in passing of the need to give up the Division of Quarantine's first land of defense capability. The Governor had mentioned during the USEPA Conference the battle of the war against Rhino Beetle. If some of you guys probably know what Rhino Beetle is doing, a devastation in Guam, on all the palm trees. And when I say, palm trees, especially coconuts, the ten thousand ways to use coconuts, you don't want that to be in jeopardy. So, I along with the members of the Legislature, especially the Senate, we look forward for you to educate us or inform us on how to battle this. Equally, important too, is to involve the officers from Luta and Tinian in cross training and working with Mr. Dallas Green. I see to it that, we really do a primary and secondary clearance, all of these, as a result of the increase activity, Secretary, especially in the port of Saipan. I can't over emphasize the need to give up your sections on top of what you are already doing with the Division of Fish and Wildlife, and other of course, the port of entry responsibility. It is nothing new, you were in the Legislature when we asked MVA to fund some of those devices that are much needed to combat contrabands coming in to our ports. So, if that is something we can explore in the interest of expediting it and increasing the rate of assistance to DLNR, then, we are ready to listen to your suggestion. So, with that, I wish to congratulate, you, and I also, thank you, for accepting this very large department. You have a lot of tasks ahead of you but, we are confident of your ability. Good morning.

President Palacios: Thank you, Senator Hofschneider. I now recognized, Senator Santos.

Senator Santos: Thank you, Mr. President. Good morning, Acting Secretary for DLNR, the Mayor of Rota, and the rest of our visitors from Saipan, and to those out here in the gallery. First, I would like to also applaud the Honorable Governor and Lt. Governor, for the appointment as the Secretary of DLNR, and of course, your acceptance to this position. There is no doubt with respect to your qualification and your experienced to assume this very big responsibility. However, there are several concerns raised by our people of Rota with respect to, who has the front line authority relative to clearing incoming passengers from Rota to Saipan? On several occasions, our people would be cleared from customs. However, they would be called by quarantine officials for further clearances or inspection. We have discussed this with the members of the Rota Legislative Delegation and our Clerk will be contacting your office, Acting Secretary, including that of the, Customs Director, to further review and discuss this matter. So, with this, I yield for now. Thank you, Mr. President.

President Palacios: Thank you, Senator Santos. Senator Quitugua, recognized.

Senator Quitugua: *Si Yu'us ma'ase, Mr. President.* Good morning, Mr. Benavente, Mayor and all the staff that are witnessing this session today. I am very thankful that Mr. Benavente came and brought his staff to Rota for this important session today. That will give the Secretary and his staff to

have brief communication with the Mayor and perhaps the counterparts here in Rota. Yesterday, during the Mayor's budget hearing, we heard the Mayor and the Resident Directors on their funding needs. I would like to encourage our new Secretary of DLNR to please communicate with the Mayor and your respective Resident Director here, and see how your office can extend assistance to Rota in terms of funding, especially federal funds, and also training and other assistance to Rota. At the same time, I would also like to encourage you, Secretary, to please visit Rota periodically and if you are too busy to do that, probably your staff in your division visit their counterparts here in Rota to see what kind of assistance they need on a periodic basis. I just want to say that please provide the necessary communication on a timely manner so that communication or offerings that are delivered to the counterparts here will not be in limbo for months without any follow ups. I have confidence that the new Secretary will take these recommendations and please try to extend the services as often as possible in terms of visits and trainings to the counterparts in Rota. Also, I would like to extend that if you have any vehicles that are purchased under the federal grants and if you can extend at least one vehicle to Rota to help them with their departments transportation needs, here in Rota. I thank you for coming down to Rota and I hope that your visit today will be a periodic visit to the Mayor and DLNR staff here in Rota. *Si Yu'us ma'ase, Mr. President.*

President Palacios: Thank you, Senator Quitugua. Are there any other comments? Senator Igisomar, do you have any? Senator Cruz?

Senator Cruz: Thank you, Mr. President. I just want to say that, I am optimistic and confident with Mr. Anthony Benavente. As stated in the public hearing, he is not only going to serve the pleasure of the Executive Branch but, you also have to serve the pleasure of the Senate. I know that he is going to continue to have a dialog communication with the two Senatorial Districts. And, as once state by Senator Quitugua, to continue those communications, you will not be in limbo for a month or couple of months. I am sure that, with the statement that you have told the members of this committee, I am confident that you will do so and continue that. As we all know, the First and Second Senatorial Districts really needs help. We are not asking from the CNMI budget but, from the federal grants or federal funds that will also share down to both First and Second Senatorial Districts. Again, I thanked this committee for their confident in entertaining your nomination in today's session. With that, again, I thank you, Mr. President.

President Palacios: Thank you. Any other members? Let me just say a few words. First of all, I have this very positive feeling that we will act and confirm Mr. Benavente. I wish to congratulate him also. I used to serve in what will be your position, in the Department of Lands and Natural Resources. As we all know, it is a multi-fascinate department, that is from oceans to farms, lands issues, environmental issues, and different programs within those subject areas. It got its own challenges, it got its own complicities. One of the things that I learned is that, you need to foster and nurture your staff and have develop the staff. There are regional and federal partners nurture those

relationships and I think we will go a long way to succeeding in implementing our programs. Engaged with the four respective Mayors of the different Senatorial Districts in the Commonwealth and engaged them in your programs. Just a recommendation of mine, it is very simple, it is very fundamental. I think, Mr. Benavente, you will be very successful in your tenure as the Department of Lands and Natural Resources Secretary. With that, Clerk, please call the roll.

CLERK called the roll:

Senator Francisco M. Borja	Yes
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofschneider	Hunggan (Yes)
Senator Sixto K. Igisomar	Aweer
Senator Paul A. Mangloña	Excused
Senator Steve K. Mesngon	Excused
Senator Justo S. Quitugua	Yes
Senator Teresita A. Santos	Yes
President Arnold I. Palacios	Yes

CLERK: Mr. President, all seven (7) members voting “yes.”

President Palacios: With seven members voting “yes” Senate Standing Committee Report No. 20-21, relative to the appointment of Mr. Anthony T. Benavente, to the Department of Lands and Natural Resources Secretary, is hereby approved. Therefore, Mr. Benavente is confirmed as self by vote. Let us take a short recess.

The Senate recessed at 9:25 a.m.

RECESS

The Senate reconvened at 9:32 a.m.

President Palacios: We are back in session. We left off on agenda Item M. There being no items on agenda Item N. We move to agenda Item O, Resolution Calendar.

REPORTS OF SPECIAL/CONFERENCE COMMITTEES

None

RESOLUTION CALENDAR

President Palacios: Floor Leader?

Floor Leader Borja: Thank you, Mr. President. We do have two resolutions appearing on our Calendar for today. For the adoption of Senate Resolution No. 20-03, “To amend Rule 8 of the Official Rules of Procedure of the Senate of the Twentieth Northern Marianas Commonwealth Legislature,” so, move.

The motion has been seconded.

President Palacios: There is a motion to adopt Senate Resolution No. 20-03, and it has been moved and seconded. Discussion? Senator Quitugua, recognized

Senator Quitugua: *Si Yu’us ma’ase, Mr. President.* Mr. President, in the recent past weeks, we have been reading on the newspapers about the issues on the construction of the Saipan Casino. As Senators, we really need to be provided up-to-date information by the proper authority which is the Gaming Commission, so that we will not solely rely on the newspapers or hear-say comments. In addition, Mr. President, there are several bills in the House relative to gaming. Therefore, it is incumbent upon the Twentieth Senate to amend its Rules so that we can establish a Committee on Gaming. We can immediately address the issues on gaming in Saipan and also to up-date the members on the accuracy of the issues that are surfacing in the areas of gaming. This Senate Resolution No. 20-03, on Section 10 of our Rules, will add the Committee on Gaming and in this Committee, it is required that at least one Representative from each Senatorial District be a member of this committee. Thank you, Mr. President.

President Palacios: Thank you. Senator Igisomar?

Senator Igisomar: Thank you, Mr. President. I’ll just make it brief, but, I just wanted to state that I am very happy that this is introduced. Considering that I believe, unless, I’m mistaken somehow, the House side in the Legislature were invited fully paid trip to go to Las Vegas and Colorado. I’m path-hold why no one from the Senate was invited or at least, I was not even given an opportunity to turn it down or decline it. I am not sure whether we must have a gaming committee in order for them to be in communication with us. I am very happy and thank you Senator Quitugua for introducing it. Thank you.

President Palacios: Thank you. Senator Hofschneider?

Senator Hofschneider: Thank you, Mr. President and members. I am just wondering, reflecting on Senator Sixto Igisomar’s statement, may be they forgot that for every legislation it must pass the

Senate also even if it affects them. But nevertheless, this is a proactive approach by the Chairman of the Rules and Procedures. We hope that upon adoption of this, they, the Gaming Commission, can see to it that on opportunities such as what Senator Igisomar was alluding to, can be extended to some of the members of the Senate. Thank you.

President Palacios: Thank you. Any other? Senator Borja?

Floor Leader Borja: Thank you, Mr. President. I just want to mention this out, a couple of months back, I think a Commissioner from Tinian invited me, this is a couple of months, like about three months back, for the trip on this, I think last couple of weeks. However, I stated to him that, I have gone through so many conferences of this kind when I was the Mayor and the Gaming Commissioner, so, I told them to look for others of the Senate that haven't had the opportunity to go. But, I guess, they just wanted me to go and recommend somebody else, they just dropped it. So, I guess by forming this committee, I think, now, we will definitely be more involve in this kind of activity. Thank you, Mr. President.

President Palacios: Any other comments? Really, it is not so much whether we accompany the commissions to some of these meetings around the world, the pacific areas and even in the Maine Land in the United States. But, the over article issue is that, we have this major industry that is taking place in the Commonwealth. There's a lot of other issues that the Senate will have to address whether we have a committee or not. Just as Senator Hofschneider said, whatever legislations comes out of the House will eventually have to come to Senate for Senate approval and vise a versa. Just that it is a major industry that's forming at least in the Senatorial District of Saipan and Northern Islands, it is appropriate that we consider having this committee. With that, ready for the question? Those in favor of the motion to adopt Senate Resolution No. 20-03, please say, "Aye". Opposed say, "Nay."

All members voiced "Aye."

President Palacios: Motion carries. Floor Leader?

Floor Leader Borja: Thank you, Mr. President. For the adoption of House Concurrent Resolution No. 20-01, HS1, "To approve revenues and resources of the Commonwealth of the Northern Mariana Islands, as identified pursuant to Article III, Section 9(a) of the Constitution, as amended, and I CMC, Division 7, for Fiscal Year 2018, beginning October 1, 2017, and ending on September 30, 2018," so, move.

The motion has been seconded.

President Palacios: Motion is to adopt House Concurrent Resolution No. 20-01, HS1, relative to the financial resources of the Commonwealth to be a part of the budget process. Discussion? Senator Hofschneider?

Senator Hofschneider: Thank you, Mr. President. Just recent, last Monday, your Committee finally sat down with the important respective agency, the Department of Finance, to kind of articulate some of the questions and try to answer some of the concerns further. In furtherance, with respect to the estimated resources for fiscal year 2018, primarily, on the earmarked funds, the balance of which, just cross checking to make sure that, whatever, they placed in the concurrent resolution is in fact close to accurate as projected. Although, the meeting was adjourned, then, there are still some elements that was of some answers and clarification as needed from the Secretary of Finance and she needs to provide those as we pushed along during the budget process. The reason, Mr. President, that the Committee continues to impress on asking for actual distribution of all these earmarks, only, to get a clearer picture as to which particular agency in the Executive Branch are getting other resources, aside, from the general appropriation that this very committee is undergoing right now with serious of public hearings. It is important, because, each agency and municipality comes in and advocate for their submission. They never ask, no one ever say, very rare, to say that they are satisfied. They usually submit what you called, “the wish list” and then come to our offices, our committees, and lobby and justified, why they are asking for this? It will definitely help us to get a better grip and understanding as to the distribution of this outside source. How much of which being expended and if that so, to what kind of activities? Whether, be it employment, or infrastructure, procurement of capital items, for their necessity of each department, either way, as long as we are advice, as to who is, what getting what, in terms of that particular area of the questions. Furthermore, as we all know, it is not foreign, it hasn’t been done in the past, whereby, some agencies that are getting specific earmarking the Legislature had asked for them although they reluctantly agree, but, as legislators, it is our responsibility to see the needs and try to satisfy everybody’s needs by priority. I just mentioned earlier to the Secretary of DLNR, that at some point in time, we have to ask MVA to fund some of the needed devices in the ports of entry, in the division of Custom. Basically, Mr. President, the committee is ready to adopt this concurrent resolution, I do, however, encourage the Secretary of Finance and other members of the committee in the Senate, to continue exploring and asking the right questions to the agencies as it tends to change some of the projections and the collections realize during the course of fiscal year.

President Palacios: Thank you, Senator Hofschneider. Senator Quitugua, recognized.

Senator Quitugua: *Si Yu’us ma’ase, Mr. President.* Mr. President, concurrent resolution for the fiscal year, there’s always questions in terms of the distribution of funds particularly on the earmarking’s. We tasked the legal counsel because we know that some of these earmarking is supposedly to be appropriated by the legislature and we continue to see this earmarking’s other than

the bond payment and the 75% through the settlement fund continue to increase every year. However, we have not seen at least since I came into the Senate in the 19th Legislature, I have not seen any legislation that will appropriate these year markings accordingly. On fiscal year 2017, we continue to press the Secretary of Finance to show us the distribution of these year earmarking's. Finally, on fiscal year 2017, at least she showed us the distribution on some, such as the settlement fund, the compact impact, and so forth, but the others, we have yet to see the legislative action in further appropriating these year mark funds that the law says, they have to be appropriated by the Legislature. And with the appearance of the secretary of finance last Monday, as earlier indicated by Chairman Hofschneider, and we still need to receive more detailed information as requested by the committee. However, with that satisfaction in our minds, we are ready to pursue the adoption of this resolution and then the Senate will take actions on the appropriation of funds on these earmarks. Thank you, Mr. President.

President Palacios: Senator Igisomar, recognized.

Senator Igisomar: Thank you very much, Mr. President. I am not necessarily one thousand percent comfortable, but, I am agreeing to proceed forward. Considering, actually, I had some more questions I wanted to do follow-up with our financial analyst. But, unfortunately, I heard that for whatever reason, we have a lawyer here, we have clerks and LB staff, but, a very significant personnel financial analyst was called back yesterday. Because, apparently, they need five thousand analysts on Saipan. I just don't understand. We have two of them, but, we can't be given one to try and answer some questions that I have. Also, I would like to encourage our Chairman, to hopefully, find a way to work with our Secretary so that she can be a lot more reactive, not just reactive but be immediate in response. Because, I feel like nothing against her, but, just with our relationship with the Legislature or the Senate, I feel like, I sent my son overseas to school and I ask him, how is everything? And he says, "oh yea dad, don't worry, I am paying the bills, it's all taken care off" only to find out that I've been sent to collection agency. The way we were going over the documentations and the financials, I think we are getting it superficially. It is how I believe we were getting our response, but, I believe there are a lot more questions that we need answered and our financial analyst, that is why I wanted to ask him the questions, whether, he got all the right answers. But, we seem to be going around in circle, generally, in the questions of earmarks and the balances of the accounts. We received and acknowledged that we appropriated amounts that were budgeted versus amounts that were expended, but, somehow, it is not very clear on the actual number. Apparently, there were numbers but it was not very clear where they went or where they came from. So, with that, thank you, Mr. President. I just wanted to air my concern with the absence of our financial analyst.

President Palacios: Thank you. Senator Hofschneider?

Senator Hofschneider: Thank you, Mr. President. Dave actually informed me yesterday, this is the day before that, that there is going to be an issues with the flights, so, he has no choice basically. It is either he needs to change with someone or he has to lose out until the next available flight, this is for that reason. I was actually not very please too that there is the flights availability. I understand your concern Senator Igisomar and that is the reason why he is not here. Not because they need five thousand fiscal analysts on Saipan. Mr. President, I am not trying to justify the rapid response or the level or response from the secretary, but, I do also know that probably, the House also sent the same kind of request to her office. I've mentioned this to her whether on an official meeting, or in past meetings, that it's time that we will need to establish the Department of Revenue and Tax, because, that will definitely help her with a lot of her work load. It appears that probably, she is taking a lot and some of these numbers crunching is perhaps maybe taking a back burner. But, it is time that we either call the committee of the fiscal affairs, or call under EAGI and see what can we do to help, or is there anything that we are not doing as members of the Legislature? As far as the issue at hand, it is extra ordinary measures over the last five years, is the only time that appeared in the CNMI, that the Legislature must pass a spending plan come October 1st or before that, otherwise, it shuts down. So, you can imagine, the kind of humping and the kind of JDE, or whatever system they are trying to deploy and it's been four years, or six years, and we're still kind of right back to it, over and over again, but, I am not trying again. I am not trying to add justification as to why potentially, but, I think it is also important that we need to call her in just for that issue. What is the problem with getting information to the Legislature? What is the problem of getting information to the committee on a timely basis? Because it is going to help us, we are not trying to fish for any formation, we are just trying to understand some of the questions, or the certainties of the numbers crunching. I think as a committee Chai, also, I'll pay attention to the wind-fold, if there is any, and if it is not too late, if there is additional revenue from the collection, you know they should report. The administration has to report to us that we are going to go million or two million above what you guys passed. We need a supplemental appropriation. That is the order of operation based on my understanding. So, again, Mr. President, I'll take responsibility on some of the concerns, but, as far as the issue with the fiscal analyst, *magahit na*, it was the flight availability and seats availability the reason that he had to leave. Thank you.

President Palacios: Thank you. Obviously, I was also concern, because, we had this Concurrent Resolution in the Senate from the House, since early May, and of course, we took action and met to take a look at it and generate a lot of questions in the process. Obviously, the existing process does not work and as stated, we are required by constitutional mandate to have a budget or the government shuts down. That is a new requirement, telling you the requirement, and so, with that, I believe that we need to take a look at different processes to give us accuracy to the resources, the earmarks, new BGRT from the casino. I am not sure everybody knows to this date, what the level of revenue we have? We haven't got a report, so, I urge you to take a look at the legislation relative to the formation of a new Department of Revenue and Taxation, and Customs. They certainly would

go a long way alleviating and improving the process in a timely manner. With that, are we ready for the question?

Senator Hofschneider: Mr. President?

President Palacios: Senator Hofschneider?

Senator Hofschneider: Thank you. For the last time, I requested this in the past, not because we are trying to just – well, yes, because we are a separate branch of government, we are the Legislature. I know some of us have been through the whips of process, trying to get through a process over at the Executive Branch in terms of our processing of TA, processing of payments, and what have you. I think it is time that we meant to take it seriously, looking at having our own access and have our own centralize at the Legislative Branch, call it JDE, or what have you, we are a separate branch of government. I've asked the Director to explore this option. It is going to help some of this issue, primarily, all this information's that we're probably asking. We can get it at a press of a button.

President Palacios: Thank you. Let me just chime in on that conversation on that specific issue. I think it probably take not the LB Director, but, instruction from the Legislature that we have access to this system. So, that we can accurately have on a monthly basis, have an accurate figure on where we're going with the revenues? You know, two years ago, if you look at the economic activities and just the port itself, it's used to be very empty. Today, that port is busting, so, the activities have increased expediential. Why is excess tax not as explanation as it should be? So those are the types of questions that one looks at and we need to again, review the process and perhaps improve the process of getting to this accurate information. With that, are we ready to go ahead and adopt House Concurrent Resolution No. 20-01?

Several members voiced, "ready."

President Palacios: A motion to adopt House Concurrent Resolution No. 20-01, HS1, those in favor of the motion please say, "Aye." Opposed say, "Nay."

All members voiced "Aye."

President Palacios: Motion carries. House Concurrent Resolution No. 20-01, is hereby adopted. We are down to Bill Calendar.

BILL CALENDAR

President Palacios: Recognized Senator Quitugua.

Senator Quitugua: *Si Yu'us ma'ase, Mr. President.* Mr. President, the Committee on Education and Youth Affairs, gave notice to a committee meeting on May 18, 2017, and then again, on May 25, 2017, relative to discussion on Senate Bill 20-08 as to its disposition. Unfortunately, when the meeting was called as scheduled some members have emergencies and could not be present at the meeting. Myself and Senator Sixto were present and since a quorum was not present at the time, the Committee did not take action on Senate Bill No. 20-08. Therefore, Mr. President, as Chairman of the said Committee, I take privilege under Rule 7, Section 10, to withdraw Senate Bill No. 20-08 from the Committee so that the Senate can take action on today's session. Thank you, Mr. president.

President Palacios: Thank you, Senator Quitugua. I recognized the Floor Leader, Senator Borja.

Floor Leader Borja: Are we going to vote on this motion first?

President Palacios: Okay. Sorry, was that motion been seconded?

Senator Hofschneider: I seconded.

President Palacios: Floor Leader, can you make that motion for withdrawal?

Floor Leader Borja: For the withdrawal motion, I move to withdraw Senate Bill No. 20-08, SD1, from the Committee on Education and Youth Affairs, so move.

The motion has been seconded.

President Palacios: The motion has been seconded, discussion on the withdrawal motion? Ready? Clerk?

CLERK called the roll:

Senator Francisco M. Borja	Yes
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofschneider	Hunggan (Yes)
Senator Sixto K. Igisomar	Yes
Senator Paul A. Mangloña	Excused
Senator Steve K. Mesngon	Excused
Senator Justo S. Quitugua	Hunggan (Yes)

Senator Teresita A. Santos	Yes
President Arnold I. Palacios	Yes

CLERK: Mr. President, all seven (7) members voting “yes.”

President Palacios: With seven members voting “yes” the motion to withdraw Senate Bill No. 20-08, SD1, is here approved. Floor Leader?

Floor Leader Borja: Thank you, Mr. President. Now for the placement on the Bill Calendar, I move for the placement of Senate Bill No. 20-08, SD1, on today’s Final Reading.

The motion has been seconded.

President Palacios: Motion has been made to place Senate Bill No. 20-08, SD1, on today’s Bill Calendar and it has been seconded. Discussion on the at motion? Ready? Those in favor of that motion please say, “Aye.” Opposed say, “Nay.”

All members voiced, “Aye.”

President Palacios: Motion carries. Senate Bill No. 20-08, SD1, is hereby placed on the Bill Calendar. Floor Leader?

Floor Leader Borja: Thank you, Mr. President. Also under Rule 7, Section 10, I move to withdraw Senate Bill No. 20-42 from the Committee on Fiscal Affairs.

The motion has been seconded.

President Palacios: Motion is to withdraw Senate Bill No. 20-42 from the Committee on Fiscal Affairs and it’s has been seconded. Discussion? Ready? Clerk, please call the roll.

CLERK called the roll:

Senator Francisco M. Borja	Yes
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofschneider	Hunggan (Yes)
Senator Sixto K. Igisomar	Yes
Senator Paul A. Mangloña	Excused
Senator Steve K. Mesngon	Excused
Senator Justo S. Quitugua	Yes
Senator Teresita A. Santos	Yes
President Arnold I. Palacios	Yes

CLERK: Mr. President, all seven (7) members voting “yes.”

President Palacios: With seven members voting “yes” Senate Bill No. 20-42 is here by withdrawn from the Committee on Fiscal Affairs. Floor Leader?

Floor Leader Borja: Thank you, Mr. President. I move to suspend pertinent Rules so we can place Senate Bill No. 20-42 on today’s Calendar for Final Reading.

The motion has been seconded.

President Palacios: Motion is to suspend Rules so that we can place Senate Bill No. 20-42 on today’s Calendar and it has been seconded. Discussion? Ready? Those in favor of that motion please say, “Aye.” Opposed say, “Nay.”

All members voiced “Aye.”

President Palacios: Motion carries. Floor Leader, can we have a placement motion?

Floor Leader Borja: Thank you, Mr. President. I move now to place Senate Bill No. 20-42 on today’s Calendar for final action.

The motion has been seconded.

President Palacios: Motion is to place Senate Bill No. 20-42 on today’s Bill Calendar for action and that motion has been seconded. Discussion? Ready? Those in favor of that motion please say, “Aye.” Opposed say, “Nay.”

All members voiced “Aye.”

President Palacios: Motion carries. Senate Bill No. 20-42 is hereby placed on the Bill Calendar. Senator Hofschneider?

Senator Hofschneider: Mr. President I know you’re anxious to move on the movement of this bill but I respectfully request for a short recess to discuss something with the members.

President Palacios: Let us take a four-minute recess.

The senate recess at 10:05 a.m.

RECESS

The Senate reconvened at 10:10 a.m.

President Palacios: We are back to our session. Floor Leader?

Floor Leader Borja: Thank you, Mr. President. For the passage on Final Reading Senate Bill No. 20-08, SD1, “To enable the CNMI to participate in the Western Interstate Commission for Higher Education’s Professional Student Exchange Program; and for other purposes.” So, move.

The motion has been seconded.

President Palacios: The motion is for the passage of Senate Bill No. 20-08, SD1, it’s been seconded. Further discussion on the bill? Ready? Senator Quitugua?

Senator Quitugua: *Si Yu’us ma’ase, Mr. President.* Mr. President there are minor amendments to Senate Bill No. 20-08 now in the form of SD1. These amendments are made in collaboration with the Attorney General’s Office and the Director of the CNMI Scholarship. If you noticed there are crossed-out, and there are underlined, so the crossed-out are amended with the underlines. If the members remember, in our previous sessions, the Attorney General submitted a comment on this bill and it was on our agenda as part of the communication. However, the bill does not take into consideration one of the issue that the Attorney General recommended or pointed out the unconstitutionality of Section 5 of the bill on page 3. However, Counsel Bermudes researched that section that the AG’s office has pointed out as unconstitutional such as US citizens and CNMI registered voter. Perhaps, the counsel can explain more his findings on that particular section of the AG’s comment. I think that is the citation that the AG was citing as unconstitutional because of US citizenship and registered voter. The counsel found out that that was a wrong citation. Therefore, we did not consider that comment from the AG, but I will give the opportunity to Counsel Bermudes to further comment on the AG’s comment on Section 105.

President Palacios: Briefly counsel, if there is no objection you can talk.

There being no objection raised.

Counsel Bermudes: I reviewed the AG’s opinion that cited a Texas case in which a non U.S. citizen applied to be a Notary Public and the application was denied. The court ruled that the denial is unconstitutional because of the U.S. citizenship requirement. If the AG’s opinion and the cited

case is dispositive to the issue at hand, then the CNMI Scholarship would be a problem because the U.S. citizenship and CNMI registered voter are the requirements. The PSEP program is part of the CNMI Scholarship and the PSEP program also requires U.S. citizenship and a CNMI registered voter. It does not make sense for the CNMI program to fund a program open to anyone when the intent is to provide an education scholarship so that when the program is completed the recipient will return and work for the CNMI. The program focuses on the need to develop the local workforce. It is not a program that would be available to anyone. This is the basis of my advice to the Chairperson and the Committee.

President Palacios: Thank you, Counsel. Senator Igisomar?

Senator Igisomar: Thank you, Mr. President. If I may just clarify, we're discussing Senate Bill No. 20-08, SD1. *Malago' yo' bai'hu faisen i author yan i komiti este i page 3 gi line 18, bandan ayu i registered CNMI voter. Kulang-hu hasso-ha, ginen guaha problema-ta gi este na banda, eyu guaha famaguon siha manma graduha taftaf ya timan bo'bota, kao ta consider este na issue gi este na bill?*

President Palacios: Yes. That became law already in the 19th Legislature.

Senator Igisomar: *Ahe, lao kumo mama lai este*, will this override that or will that override this?

President Palacios: No. I believe that will override this. That is a good question though. Senator Santos?

Senator Santos: Still under discussion, Mr. President. I support Senate Bill No. 20-08, SD1, because this piece of legislation would encourage or motivate those who are willing to pursue postgraduate studies in the field of healthcare professions as the area affected are enumerated in this legislation. In particular, on page 2, lines 3 to 4, those affected areas are exactly our needs relative to healthcare in the Commonwealth. It is our hope that when this piece of legislation is transmitted to the House that the House facilitate the passage so that it would be on time for the fall semester of 2017. Thank you, Mr. President.

President Palacios: Thank you, Senator Santos. With that, are you ready for the question? The motion is for the passage of Senate Bill No. 20-08, SD1. Clerk, please call the roll.

CLERK called the roll:

Senator Francisco M. Borja	Yes
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofschneider	Yes

Senator Sixto K. Igisomar	Hunggan (Yes)
Senator Paul A. Mangloña	Excused
Senator Steve K. Mesngon	Excused
Senator Justo S. Quitugua	Yes
Senator Teresita A. Santos	Yes
President Arnold I. Palacios	Yes

CLERK: Mr. President, all seven (7) members voting “yes.”

President Palacios: With seven members voting “yes” Senate Bill No. 20-08, SD1, hereby passes the Senate. Floor Leader, can we withdraw Senate Bill No. 20-01? I recognized the Floor Leader.

Floor Leader Borja: Thank you, Mr. President. Again, under Rule 7, Section 10, I move to withdraw Senate Bill No. 20-01 from the Committee on Fiscal Affairs.

The motion has been seconded.

President Palacios: The motion is for the withdrawal of Senate Bill No. 20-01, from the Committee on Fiscal Affairs, the motion has been seconded. Discussion? Ready? Clerk, please call the roll.

CLERK called the roll:

Senator Francisco M. Borja	Yes
Senator Francisco Q. Cruz	Hunggan (Yes)
Senator Jude U. Hofschneider	Hunggan (Yes)
Senator Sixto K. Igisomar	Aweer
Senator Paul A. Mangloña	Excused
Senator Steve K. Mesngon	Excused
Senator Justo S. Quitugua	Yes
Senator Teresita A. Santos	Yes
President Arnold I. Palacios	Yes

CLERK: Mr. President, all seven (7) members voting “yes.”

President Palacios: With seven members voting “yes” Senate Bill No. 20-01, is hereby withdrawn from the Committee. Floor Leader?

Floor Leader Borja: Thank you, Mr. President. I now move for the placement of Senate Bill No. 20-01 on today’s Calendar for Final Reading.

The motion has been seconded.

President Palacios: That motion has been seconded for the placement of Senate Bill No. 20-01 on today's Bill Calendar. Discussion? Ready? Those in favor of that motion please say, "Aye." Opposed say, "Nay."

All members voiced "Aye."

President Palacios: Motion carries. Senate Bill No. 20-01 is hereby placed on the Bill Calendar. Floor Leader?

Floor Leader Borja: Thank you, Mr. President. For the passage of Senate Bill No. 20-42, "To amend 4 CMC § 2308 to clarify that the casino gross revenue tax funds are separate from the general fund; and for other purposes," so move.

The motion has been seconded.

President Palacios: The motion is for the passage of Senate Bill No. 20-42, it's been seconded. Discussion? Senator Igisomar?

Senator Igisomar: Thank you very much, Mr. President. I have an amendment, Mr. President, to Senate Bill No. 20-42. The amendment generally, under the FAC which is now on the bill code "levelized emergency adjustment clause." But we will change that to FAC and then authorize CUC within thirty days of enactment of this bill to transmit the funds out to residential accounts and also to accommodate Public Law 19-75. But if you don't mind, Mr. President, we're not able to print, and if it is okay with the members, I will ask the counsel to read it out so that the members can be clear on it. *Gi page 2, gi este na bill.*

President Palacios: If there is no objection, I would ask the Counsel to read out that particular amendments to be offered by Senator Igisomar. Counsel?

There being no objection raised.

Counsel Bermudes: The Floor Amendment on Senate Bill No. 20-42, starts on page 2, lines 3 to 7, and it is going to read "For the Fuel Adjustment Charge (FAC), formerly called the Levelized Energy Adjustment Clause (LEAC), Rate Subsidy Account. The Secretary of Finance shall establish a LEAC FAC Rate Subsidy Account. A portion of the gross revenue tax generated from a casino licensed under this chapter shall be deposited in this account shall be used primarily to subsidize the LEAC FAC Rate ~~that would otherwise be passed on to utility~~ of residential customers. The Commonwealth Utilities Corporation shall apply the FAC rate subsidy within 30 days after the enactment of this Act

by using the funds transferred to CUC for the subsidy, inclusive of the funds provided under Public Law 19-75, section 302(a).” That is the Floor Amendment.

The motion has been seconded.

President Palacios: Discussion? Senator Hofschneider?

Senator Hofschneider: I have a question directly to the Counsel or maybe to the mover of the Floor Amendment. I understand that referencing Public Law 19-75, and this bill being enabling statute to define the GRP derive from the casino, how would this play out if this becomes law and we are referencing a specific title of a statute that cease to exist once it is fulfilled in terms of the one million dollars for LEAC? I am just curious. I am supporting it but will it have any force and effect or for that matter, is the AG going to have any beef on it as far as the way we are going to address it?

Counsel Bermudes: The author wanted to resolve the issue CUC is having as to when to apply the Public Law 19-75 appropriation for the Fuel Adjustment Clause Rate Subsidy. The author wanted to make it clear that the amendment to the FAC subsidy includes the money appropriated in PL 19-75 and must be applied within a specified period.

Senator Hofschneider: I understand the rationale behind this. Referencing an appropriation measure and referencing on it a – basically, I hope we are not going to amend this if this becomes law. That thing is going to stick and it is not going to be codified, and it is always going to reflect that this particular – it doesn’t matter right, it is not going to be problematic?

Counsel Bermudes: No.

Senator Hofschneider: Thank you.

President Palacios: Ready for the question? Clerk, please call the roll on Senate Draft 1.

CLERK called the roll:

Senator Francisco M. Borja	Yes
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofschneider	Yes
Senator Sixto K. Igisomar	Hunggan (Yes)
Senator Paul A. Mangloña	Excused
Senator Steve K. Mesngon	Excused
Senator Justo S. Quitugua	Yes
Senator Teresita A. Santos	Yes

President Arnold I. Palacios Yes

CLERK: Mr. President, all seven (7) members voting “yes.”

President Palacios: Back to the main motion for the passage of Senate Bill No. 20-42, SD1. Clerk?

CLERK called the roll:

Senator Francisco M. Borja	Yes
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofschneider	Hunggan (Yes)
Senator Sixto K. Igisomar	Aweer (Yes)
Senator Paul A. Mangloña	Excused
Senator Steve K. Mesngon	Excused
Senator Justo S. Quitugua	Hunggan (Yes)
Senator Teresita A. Santos	Yes
President Arnold I. Palacios	Yes

CLERK: Mr. President, all seven (7) members voting “yes.”

President Palacios: With seven members voting “yes” Senate Bill No. 20-42, Senate Draft 1, hereby passes the Senate. Floor Leader?

Floor Leader Borja: Thank you, Mr. President. For the passage of Senate Bill No. 20-01, for Final Reading, “To establish a Department of Revenue and Taxation; and for other purposes.” I, so move.

The motion has been seconded.

President Palacios: The motion is for the passage of Senate Bill No. 20-01, and it has been seconded. Discussion? Ready? Clerk, please call the roll.

CLERK called the roll:

Senator Francisco M. Borja	Yes
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofschneider	Hunggan (Yes)
Senator Sixto K. Igisomar	Yes
Senator Paul A. Mangloña	Excused
Senator Steve K. Mesngon	Excused
Senator Justo S. Quitugua	Yes
Senator Teresita A. Santos	Yes
President Arnold I. Palacios	Yes

CLERK: Mr. President, all seven (7) members voting “yes.”

President Palacios: With seven members voting “yes” Senate Bill No. 20-01, hereby passes the Senate. Floor Leader, is that all we have on the Calendar?

Floor Leader Borja: Yes. We have no further on the Bill Calendar, Mr. President.

President Palacios: Okay, we are down to Item Q, Petitions, Memorials and Miscellaneous Communications. Clerk?

PETITIONS, MEMORIALS AND MISCELLANEOUS COMMUNICATIONS

The Clerk voiced Miscellaneous Communications Nos. 20-119 to 20-123.

President Palacios: Are there any comments? Senator Hofschneider, recognized.

Senator Hofschneider: Thank you, Mr. President. I am sure your office and the rest of the members of the Senate that received a copy, the last meeting we had with the Commissioner of PSS and her court team, they had requested flexibility on provision of Public Law 19-75, and that is the supplemental budget that we recently passed. Now, what they have requested is the amount of six hundred twenty-four thousand and nine hundred eighty-eight (\$624,988), derives from two provisions of that particular law. Because they need her to ask the Legislature for authorization simply because the statute does not require her to reprogram that for any. I took it up myself, as the Chair of Fiscal Affairs, I actually asked the House to take it up. I think this is very critical that we monitor this particular legislation if it pass the House, simply, because of the deadline that they imposed to match to avail of that federal funds for the Head Start Program in the CNMI. Thank you.

President Palacios: Thank you. Any other comments on agenda Item Q? Ready? We are down to Miscellaneous Business.

MISCELLANEOUS BUSINESS

Senator Santos: Mr. President?

President Palacios: Senator Santos, recognized.

Senator Santos: Thank you, Mr. President. This is just to acknowledge and express our gratitude to you, Mr. President, for conducting our session in Rota. It provides our people in Rota the opportunity to hear and witness our actions on some of the items appearing on our agenda today. Also, for personally interacting with our local leaders and people on issues affecting our islands and finding solutions to those issues. I would also like to extend our gratitude to our good Chairman Igisomar for conducting our Public Hearing yesterday, for the Committee on Health and Welfare. Again, Mr. President and members, and the LB staff, the legal counsel, you are always welcome to our beautiful island of Rota. Thank you.

President Palacios: Thank you for those comments, Senator Santos. Any other member? Let me just very briefly, again, extend my appreciation and members appreciation to the Mayor and his staffs and those folks that have helped us with our Public Hearings and today's session. Thank you.

ANNOUNCEMENTS

President Palacios: Do we have any announcements? Senate Hofschneider?

Senator Hofschneider: Just to remind the members of the Fiscal Affairs that the Committee will be meeting on the island of Tinian, next Friday, at 10:30 a.m., at the Trial Court House. I am also inviting the SAA and/or the OMB to please join us so that you can witness the testimonials of the agency and the Mayor as they go through their hearing. Thank you, members.

President Palacios: Thank you. Any other announcements? There being none.

ADJOURNMENT

President Palacios: Floor Leader, now we entertain a motion for adjournment.

Floor Leader Borja: Thank you, Mr. President. I move to adjourn subject to the call of the Chair.

The motion has been seconded.

President Palacios: Motion is to adjourn subject to the call of the Chair and it has been seconded. Those in favor of the motion please say, "Aye." Opposed say, "Nay."

All members voiced "Aye."

President Palacios: Motion carries. The Senate hereby adjourned subject to the call.

The Senate adjourned at 10:35 a.m.

Respectfully Submitted by:

Frances Joan P. Kaipat
Senate Journal Clerk