

PUBLIC LAW NO. 9-3

NINTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

H. B. NO. 9-184

FIRST REGULAR SESSION, 1994

AN ACT

To grant approval for the Commonwealth Government to secure a loan from the Northern Mariana Islands Retirement Fund in order to build the Saipan Judicial Complex; and to take on the loan as a general obligation, backed by the full faith and credit of the Commonwealth Government.

BE IT ENACTED BY THE NINTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Short Title. This Bill shall be known as the “Judicial Building Financing Act of 1994.”

Section 2. Findings. The Legislature finds that there is a pressing need to build a new Judicial Complex in Susupe, Saipan in order to house the judicial branch of the Commonwealth Government, including the Supreme and Superior Courts. However, the CNMI Government has determined that its financial resources are not sufficient to cover the cost of constructing the Judicial Complex, because the cost of constructing the Judicial Complex will be approximately 14.8 million dollars. The Government and the Judiciary will need financing in order to supplement the FY 1994 and 1995 capitol improvement funding now earmarked for construction of the Judicial Complex.

The cost of construction is estimated at no more than \$13.8 million. Approximately one million dollars more will be needed for furnishings and fixtures.

The CNMI Judiciary is committed, through Public Law 7-25, to use revenue collected by the Court for the purpose of liquidating the cost of constructing the Judicial Complex. The Judiciary’s current projected income is between \$700,000 and \$800,000 per year. The debt service for a loan principal of \$14.8 million for fifteen (15) years at 7.5% is \$137,197.83 per month of \$1,646,374 per annum. This represents a shortfall of approximately \$846,000 to \$946,000 per annum that under its current revenue generating capacity, the Judiciary Branch will not be able to carry. The Legislature will have to otherwise fund this amount yearly for the next fifteen years. The full faith and credit commitment under this Act, will guarantee repayment from the General Fund if the Legislature does not make the necessary appropriations.

The Government has investigated financing from several available sources and has found that the Northern Mariana Islands Retirement Fund has the most reasonable interest rate. Thus, it is desirable that the Legislature approve such financing, and accept it as a general obligation, backed by the full faith and credit of the CNMI Government, in accord with the provisions of Article X of the Commonwealth Constitution, which states that public debt must be approved by two-thirds of

each house of the Legislature.

Section 3. Authorization and Approval. The Legislature, by a vote of at least two-thirds of the members of each house, hereby approves and authorizes the borrowing of an amount up to, but not to exceed, FIFTEEN MILLION (\$15,000,000) from the NMI Retirement Fund, by the Commonwealth Government, for the construction of the Judicial Complex in Susupe, Saipan.

Section 4. General Obligation; Full Faith and Credit. The loan described in Section 3 of this Act shall be accepted as a general obligation of the Commonwealth Government and shall be backed by the full faith and credit of the Commonwealth Government. The Commonwealth Government shall be liable in the event of any failure to make the payments agreed upon.

The Director of Finance is authorized and directed to pay when due, out of the General Fund, all obligations of the Commonwealth Government incurred pursuant to the borrowing authorized by this Act, to the extent that such obligations have not been duly paid out of the Judicial Building Fund pursuant to Public Law 7-25. Any such payments may be made without appropriation or fiscal year limitation.

Section 5. Certification. Upon passage of this Bill by both houses of the Legislature, the Speaker of the House of Representatives and the President of the Senate shall certify and the House Clerk and the Senate Legislative Secretary shall attest whether this bill was passed by a vote of at least two-thirds of the members of each house in accord with Article X, Section 3. Such certification and attestation shall be attached to the Bill for transmission to the Governor or Acting Governor.

Section 10. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

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

Section 12. Effective Date. This Act shall take effect upon its approval by the Governor or upon its becoming law without such approval.

Passed by the House of Representatives and the Senate of the Ninth Northern Marianas Commonwealth Legislature by the required two-thirds affirmative votes of each house.

CERTIFIED BY:

/s/ Diego T. Benavente
DIEGO T. BENAVENTE
Speaker of the House

/s/ Juan S. Demapan
JUAN S. DEMAPAN
President of the Senate

ATTESTED BY:

/s/ Evelyn C. Fleming
EVELYN C. FLEMING
House Clerk

/s/ David M. Cing
DAVID M. CING
Senate Legislative Secretary

Approved this 20th day of June, 1994

/s/ Jesus C. Borja
JESUS C. BORJA
Acting Governor
Commonwealth of the Northern Mariana Islands