



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Ralph DLG. Torres
Governor

Victor B. Hocog
Lieutenant Governor

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

25 SEP 2017

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



Dear Speaker Demapan and Senate President Palacios:

This is to inform you that I have signed into law **House Bill No. 20-99, SS1**, entitled, "To repeal and reenact 4 CMC § 2307; repeal and reenact 4 CMC §2308; to earmark the casino Gross Revenue Tax to supplement the payment of the 25 percent of all the retirees' pensions and to include NMC, NMTI as recipients of the funds generated from the Gross Revenue Tax; and for other purposes," which was passed by the House of Representatives and the Senate of the Twentieth Northern Marianas Commonwealth Legislature. While I am signing this bill into law, I respectfully advise the Legislature to amend this public law to prioritize the Settlement Fund before any other payments.

This bill becomes **Public Law No. 20-10**. Copies bearing my signature are forwarded for your reference.

Sincerely,

RALPH DLG. TORRES

HOUSE CLERK'S OFFICE
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*Twentieth Legislature
of the
Commonwealth of the Northern Mariana Islands*

IN THE HOUSE OF REPRESENTATIVES

Sixth Special Session

July 28, 2017

REPRESENTATIVE ANGEL A. DEMAPAN of Saipan, Precinct 1 (*for himself*) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H. B. No. 20-99, SS1

AN ACT

TO REPEAL AND REENACT 4 CMC § 2307; REPEAL AND REENACT 4 CMC §2308; TO EARMARK THE CASINO GROSS REVENUE TAX TO SUPPLEMENT THE PAYMENT OF THE 25 PERCENT OF ALL THE RETIREES' PENSIONS AND TO INCLUDE NMC, NMTI AS RECIPIENTS OF THE FUNDS GENERATED FROM THE GROSS REVENUE TAX; AND FOR OTHER PURPOSES.

The Bill was not referred to a House Committee.

THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON FIRST AND FINAL READING, JULY 28, 2017;
without amendments and transmitted to the
THE SENATE.

The Bill was not referred to a Senate Committee.

THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, AUGUST 24, 2017;
with amendments in the form of H. B. No. 20-99, SS1.

H. B. No. 20-99, SS1, WAS RETURNED TO THE HOUSE OF REPRESENTATIVES ON AUGUST 24, 2017.

The House of Representatives accepted the Senate amendments and passed H. B. No. 20-99, SS1, during its 3rd Day, Second Regular Session on August 30, 2017.

THE BILL WAS FINALLY PASSED ON AUGUST 30, 2017.



Linda B. Muña, House Clerk



Twentieth Legislature
of the
Commonwealth of the Northern Mariana Islands
IN THE HOUSE OF REPRESENTATIVES

THIRD DAY, SECOND REGULAR SESSION

AUGUST 30, 2017

H. B. NO. 20-99, SS1

AN ACT

TO REPEAL AND REENACT 4 CMC § 2307; REPEAL AND REENACT 4 CMC §2308; TO EARMARK THE CASINO GROSS REVENUE TAX TO SUPPLEMENT THE PAYMENT OF THE 25 PERCENT OF ALL THE RETIREES' PENSIONS AND TO INCLUDE NMC, NMTI AS RECIPIENTS OF THE FUNDS GENERATED FROM THE GROSS REVENUE TAX; AND FOR OTHER PURPOSES.

Be it enacted by the Twentieth Northern Marianas Commonwealth Legislature:

1 **Section 1. Findings and Purpose.** The Legislature finds that the proponents of the
2 casino law intended to fund the 25 percent reduction of the retirees' pensions of the
3 respective senatorial districts. The Legislature finds that there are sufficient funds from the
4 casino Gross Revenue Tax (GRT) to cover the 25 percent pension for all the CNMI retirees
5 so that the \$2,000,000 of the casino license fee allotted to each of the First and Second
6 Senatorial Districts may be expended for other municipality needs, and \$11,000,000.00 for
7 the Third Senatorial District.

8 The Legislature further finds that the Northern Marianas College (NMC) and the
9 Northern Marianas Trades Institute (NMTI) are amongst the vital institutions that are in need
10 of financial assistance. NMC and NMTI are imperative establishments where an individual
11 can expand on their intellect, improve their trade skills, and invest into a better and brighter

HOUSE BILL 20-99, SS1

1 future. In essence, our learning institutions will be able to expand on worthwhile training and
2 academic opportunities for our local workforce through the additional funding.

3 The Legislature finds that the cost of living in the CNMI has gradually increased each
4 year. The costs of medical care services and medical prescriptions have also drastically
5 increased for retirees. An annual retirement bonus payment would greatly assist the retirees
6 pay for the increased expenses of their lives.

7 The purpose of this Act is to repeal and reenact 4 CMC §§ 2307 2308 to supplement
8 the 25% pension payments to all the retirees in the First, Second, and Third Senatorial
9 Districts and to include NMC and NMTI as recipients of the funds generated from the GRT.

10 **Section 2. Repealer and Reenactment.** 4 CMC § 2307 is hereby repealed and
11 reenacted to read as follows:

12 “§ 2307. Disposition of Revenues.

13 Notwithstanding any other law to the contrary, the moneys collected for the
14 application and exclusive license pursuant to 4 CMC § 2306 shall be deposited into
15 the Commonwealth Treasury to be kept separate and apart from the general funds of
16 the Commonwealth government which shall be allocated to and available for
17 appropriation as follows:

18 (a) \$2,000,000.00 of the annual license fee shall be allocated to the First
19 Senatorial District to be appropriated by the First Senatorial District Legislative
20 Delegation.

21 (b) \$2,000,000.00 of the annual license fee shall be allocated to the Second
22 Senatorial District to be appropriated by the Second Senatorial District Legislative
23 Delegation.

24 (c) \$11,000,000.00 of the annual license fee shall be allocated to the Third
25 Senatorial District as follows:

26 (1) \$1,500,000.00 is continuously appropriated, not subject to fiscal
27 year limitation, for the Saipan Higher Education Financial Assistance
28 (SHEFA); and

29 (2) \$9,500,000.00 shall be appropriated by the Saipan and Northern
30 Islands Legislative Delegation.

31 (d) The Secretary of Finance shall also establish and maintain a
32 Commonwealth Casino Application Fee Special Fund (CCAF Special Fund) to be

HOUSE BILL 20-99, SS1

1 kept separate and apart from the general funds of the Commonwealth government.
2 The nonrefundable application fees shall be deposited in the CCAF Special Fund and
3 expended by the Commonwealth Lottery Commission, without appropriation, for the
4 investigation of license applicants pursuant to 4 CMC § 2318 and any other costs
5 associated with reviewing the applications, granting or denying applications for the
6 exclusive license. The expenditure authority for the Commonwealth Lottery
7 Commission shall be the Chairman of the Commonwealth Lottery Commission. Any
8 funds remaining in the CCAF Special Fund after the issuance of the exclusive license
9 and payment of all encumbered expenses related to reviewing the application and
10 granting or denying the application for the exclusive license, including travel or
11 meeting cost, shall be transferred to the Commonwealth Casino Commission
12 Regulatory Fee Fund as established by 4 CMC § 2309 for disposition.”

13 **Section 3. Repealer and Reenactment.** 4 CMC § 2308 is hereby repealed and
14 reenacted to read as follows:

15 “§ 2308. Disposition of Gross Revenue Tax.

16 The Secretary of Finance shall establish a special Casino Gross Revenue Tax
17 (GRT) Account separate from the general funds. The funds in the Casino GRT
18 Account shall not lapse and not subject to fiscal year limitation. In addition, the
19 Secretary of Finance shall keep a record of the casino GRT funds allocated pursuant
20 to subsections (a) and (b) of this section. Notwithstanding 4 CMC §§ 1802 and 1804
21 or any other laws, gross revenue tax generated from a license holder under this
22 chapter shall be deposited in the special Casino GRT Account, and shall be
23 appropriated by the Legislature, unless otherwise specifically provided in this section,
24 for the following purposes:

25 (a) The first \$22,000,000.00 of the GRT generated shall be earmarked and
26 continuously appropriated, not subject to fiscal year limitation, to cover or
27 supplement the payment of 25% of class members’ full benefits and bonus of all the
28 retirees of the First, Second, and Third Senatorial Districts. The Secretary of Finance
29 shall be the expenditure authority;

30 (b) After the amounts required pursuant to subsection (a) of this section is
31 satisfied, the balance of the casino gross revenue tax generated shall be recorded,

HOUSE BILL 20-99, SS1

1 maintained, and accounted for to be reserved for appropriation by the legislature for
2 the following purposes:

3 (1) For the Fuel Adjustment Charge (FAC), formerly called LEAC,
4 Rate Subsidy Account. The Secretary of Finance shall establish a FAC Rate
5 Subsidy Account. A portion of the gross revenue tax generated from a casino
6 licensed under this chapter shall be deposited in this account shall be used
7 primarily to subsidize the FAC that would otherwise be passed on to
8 residential utility customers;

9 (2) For the Commonwealth Healthcare Corporation;

10 (3) For the Medical Referral Program;

11 (4) For the payment of land compensation judgments;

12 (5) For the Public School System;

13 (6) For the Northern Marianas College; and

14 (7) For the Northern Marianas Trades Institute.

15 (c) \$7,500,000.00 of the funds in the Casino GRT Account each of the Fiscal
16 years 2017 and 2018 shall be reserved and placed in a special subaccount for
17 expenditure in 2018 for the purposes set forth in 4 CMC §2307; and

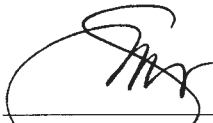
18 (d) The Secretary of Finance shall report to the presiding officers of the
19 legislature the expenditure of the funds allotted in subsection (a) and the amount
20 reserved under subsection (b) within 30 days after each quarter.”


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

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

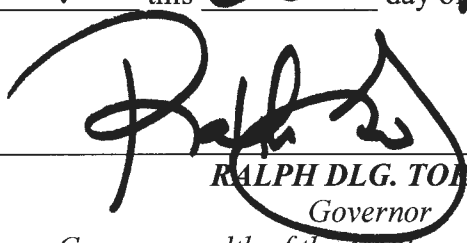
HOUSE BILL 20-99, SS1

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

Attested to by: 
Linda B. Muña, House Clerk

Certified by: 
SPEAKER RAFAEL S. DEMAPAN
House of Representatives
20th Northern Marianas Commonwealth Legislature

Approval this 25th day of September, 2017


RALPH DLG. TORRES
Governor
Commonwealth of the Northern Mariana Islands