SECOND NORTHERN MARIANAS CONSTITUTIONAL CONVENTION

SAIPAN, CM 96950

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REPORT TO THE CONVENTION BY THE COMMITTEE ON GOVERNMENTAL INSTITUTION

Hembers -

Subject: Committee Recommendation No. 37

Lorenzo I. Deleon Guerrero Alonzo igisomar David L. Igitol Rita H. Inos Benusto R. Kalpat Estevan H. King Luis M. Limes Jesus P. Hafnas Paul A. Manglona James M. Mendiola Aniceto H. Hundo Fellcidad T. Ogumoro Karl T. Reyes Joaquin A. Tenorio Francisco Tomokane William S. Torres Ramon G. VIIIagomez Ignacio Villanueva

The Committee on Governmental Institutions recommends that the Convention adopt the attached constitutional amendment with respect to limiting any proposed annual budget to the level of revenue anticipation.

The amendment recommended by the Committee will require that the level of anticipated revenue should be determined by the Executive branch for purposes of developing an annual budget for submission to the legislature. Presently, the legislature may approve an annual budget based on only its own determination of anticipated revenue irrespective of the executive branch's determination.

Over the past years, the Commonwealth government has been faced with a continuing shortage of funds. The Governor's estimated figures of total revenues have been increased significantly without adequate support that such additional revenues would and/or could be realized. Moreover, the Commonwealth has experienced time and time again the inability of the Legislature to agree with itself on the total estimated resources and revenues available for appropriation. Surely, without Delegate Proposal No. 99-85, it is very likely that the Legislature may continue to appropriate more expenditures than the amount of revenue estimated as being available from existing resources.

<u>Delegate Proposal</u>: The Committee considered Delegate Proposal No. 99-85.

The Committee urges all delegates to support the Committee's recommended constitutional amendment.

Respectfully submitted,

Delegate Juan The Litama

Chairman

Delegate Jesus P. Mafna

Vice-Chairman

Delegate Fel Member

Delegate Benusto R. Kaipat Member

Delegate Vicente Member

Calvo

Delegate David M. Cing

Member

A PROPOSED CONSTITUTIONAL AMENDMENT

To amend Section 9(a) of Article III of the Northern Mariana Islands Constitution relating to Executive Functions.

BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

Upon ratification pursuant to Section 5 of Article XVIII of the Commonwealth of the Northern Mariana Islands Constitution and Public Law No. 4-30, the Constitution of the Commonwealth of the Northern Mariana Islands is amended to read as follows:

Effective upon ratification, Section 9(a) of Article III is amended to read:

"Section 9: Executive Functions.

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"a) The governor shall submit to the legislature a proposed annual budget for the following fiscal year. The proposed budget shall describe anticipated revenues of the Commonwealth and recommend expenditures of Commonwealth funds. The anticipated revenues shall not be increased by the legislature without the consent of the governor. In preparing the proposed budget, the governor shall consider submissions made by the mayors of Rota, Saipan, Tinian and Aguiguan, and the islands north of Saipan as to the budgetary needs of those islands and by the executive assistant appointed under section 18 of this article. The governor's submission to the legislature with respect to the budget shall state the governor's disposition of the budgetary requests contained in these submissions and may include recommended legislations with respect to taxation. If the budget is approved by the legislature, the governor may not reallocate appropriated funds except as provided by law. If a budget is not approved before the first day of the fiscal year, appropriations for government operations and obligations shall be at the level

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