

## Commonwealth of the Northern Mariana Islands Office of the Governor

Saipan, Mariana Islands 96950

AUS 7 1905

Phone: 6407/6408/6581 Telex: 783-622 Gov. NAI

The Honorable Vicente M. Sablan Speaker, House of Representatives Fourth Northern Marianas Commonwealth Legislature Saipan, CM 96950

and

The Honorable Ponciano C. Rasa President of the Senate Fourth Northern Marianas Commonwealth Legislature Saipan, CM 96950

Dear Mr. Speaker and Mr. President:

This is to inform you that I have approved, in part, House Bill No. 254, S.D.1, J.D.1 entitled "To identify \$3,100,000 to meet the financial needs of the power plant, hospital, and Senate for the remainder of FY 1985, to transfer the resources to the general fund, to appropriate the resources, to identify CIP resources and appropriate \$540,000 for capital improvement projects in the Commonwealth, to restrict the use of the resources, and for other purposes". Pursuant to the power granted me by Section 7(a) of Article II of the Constitution of the Northern Mariana Islands, I have vetoed Sections 8 and 10 of the measure. My reasons for vetoing these sections follow.

Section 8 conflicts with P.L. 4-47, which established the Commonwealth Utilities Corporation and provided, in part, that no rate increases may be implemented until the Corporation has taken all steps necessary to accurately meter and bill all consumers, including government consumers, and all government buildings for electrical power, sewage, refuse and water collection (see Section 8143(c)). In addition to the inconsistency noted above, this section is unworkable because of the timeframes mandated by subsections 8 (a), (b) and (c), as the measure was officially transmitted to me on July 30, 1985, two days before the required regulations were to be issued. It is neither feasible nor equitable to consumers to require public officials to promulgate complex regulations in such a short time.

Section 10 is also deficient in that it mandates the Director of Public Health and Environmental Services to issue a new schedule of fees for medical referral and medical supplies by August 1,

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1985, said schedule to be effective on September 1, 1985. The Director of Public Health and Environmental Services has advised me that his department is currently working on a total re-structuring of the financing of our health care system based upon considerations such as amendments to the medicare and medicaid systems, insurance and HMO programs and income eligibility. To increase fees, without addressing these complex issues, is not in the best interest of our people, especially those in low income brackets.

I have been informally advised that an autonomous agency has directed its legal counsel to challenge the legality of transferring the sum of \$1,200,000 to the general fund, said sum to be included as part of the sum appropriated by Section 13 of the measure. Because of the purpose of this bill, as stated in Section 2, I would respectfully request that the Legislature be prepared to provide, by statute, guidance as to how the balance is to be appropriated in the event such a suit is filed and a restraining order granted. This is properly a matter for the courts to determine and, while legal opinions may differ, I have chosen not to veto this section and will abide by the decision of the court. In the absence of such guidelines, I have no authority to determine which items of appropriation are to be reduced or by what amounts. This unfortunate result would, of course, be contra to the intent and purpose of the bill.

This measure becomes P.L. 4-54, copies of which are enclosed for your information and ready reference.

Sincerely,

PEDRO P. TENORIO

Governor

CC: Special Assistant for Programs and Legislative Review

SEVENTH REGULAR SESSION, 1985

## AN ACT

To identify \$3,100,000 to meet the financial needs of the power plant, hospital, and Senate for the remainder of FY 1985, to transfer the resources to the general fund, to appropriate the resources, to identify CIP resources and appropriate \$540,000 for capital improvement projects in the Commonwealth, to restrict the use of the resources, and for other purposes.

## BE IT ENACTED BY THE NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1	CHAPTER 1. OPERATIONS FUNDING	
2	Section 1. Short Title. This act may be cited as the Emergency	
3	Appropriations Act of FY 1985.	
4	Section 2. Purpose. It is the purpose of this act to respond to	
5	the Governor's proposed state of emergency message. The legislature	
6	proposes other sources of funding for the government's financial needs.	
7	In addition, the legislature proposes certain long-term changes to	
8	inhibit a future emergency proclamation. The legislature further finds	
9	that it is in the interests of the Commonwealth government and its	
10	people to resume full operation of the legislative branch by funding	
11	the operations of the Senate.	
12	Section 3. <u>Resource Identification</u> . In addition to the resources	
13	identified in P.L. 4-22, the legislature finds that the following	
14	public corporations and independent agencies have funding that may be	
15	turned over to the general fund for emergency financial appropriations:	
16	Marianas Visitors Bureau \$ 500,000	
17	Mariana Islands Housing Authority 1,300,000	
18	Commonwealth Ports Authority 1,200,000	
19	Public Auditor 100,000	

- 1 Section 4. Transfer of MVB Funds to the General Fund.
- 2 Notwithstanding 4 CMC Section 1803(b) and any other provision of law to
- 3 the contrary, the Director of Finance shall withhold all funds in excess
- 4 of \$800,000 from the MVB account and transfer it to the general fund
- 5 before October 1, 1985; Provided that MVB's annual appropriation for
- 6 FY 1985 shall be \$800,000.
- 7 Section 5. Transfer of MIHA Funds to the General Fund. Upon
- 8 negotiation of a loan for \$1,300,000 with the EDLF or a private
- 9 financial institution to cover part of the \$1,800,000 appropriated by
- 10 P.L. 3-3 for low cost housing, and in any event before October 1, 1985,
- 11 the executive director of MIHA shall transfer \$1,300,000 to the general
- 12 fund.
- 13 Section 6. Transfer of CPA Funds to the General Fund. The
- 14 legislature hereby resolves the Tinian land ownership dispute between
- 15 the CPA and the Commonwealth Government. Before October 1, 1985, the
- 16 Commonwealth Government shall pay \$1,200,000 from the Tinian escrow
- 17 account leasehold funds to the CPA for a leasehold interest to the
- 18 Tinian lands over which the CPA claims ownership. Upon receipt of the
- 19 \$1,200,000, the executive director of the CPA shall transfer \$1,200,000
- 20 from the CPA to the general fund.
- 21 Section 7. Rental Fees Required. The MPLC shall immediately
- 22 assess rental fees for the use of public land for business purposes.
- 23 The rental fees shall be assessed beginning with the Garapan business
- 24 district, and the rental fees shall be received by the Marianas Public
- 25 Land Corporation in accordance with Article XI of the Constitution.

Section 8. <u>Department of Public Works</u>. Notwithstanding any other provision of law:

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- (a) By no later than August 1, 1985, the Director of Public Works shall issue a schedule of user fees, to be effective on September 1, 1985, which reasonably relate to the costs of the services provided for sewer hook-up, honey wagon collection, sewage system usage, and other sewage services.
- (b) By no later than August 1, 1985, the Director of Public Works shall revise the water and power rate schedule effective September 1, 1985, so that power consumers are billed at a rate related to the costs of the services provided to them, including the establishment of sinking funds to purchase capital equipment and to make other capital improvements for water system improvements and power generation and distribution, respectively.
- (c) The Directors of Public Works and Finance shall promulgate proposed regulations relating to sewer, water, and power rates and services by no later than September 1, 1985.
- (d) Upon establishment of the Commonwealth Utilities Corporation, it shall assume all of the authority provided in Section 8.

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Section 9. Hiring and Salary Freeze. The executive, legislature,
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     and judiciary branches shall freeze all hiring and salaries as of the
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     effective date of this act, unless the governor, presiding officers,
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     or chief judge respectively certify to the governor and presiding
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     officers of the legislature that exceptions are required as to
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     specific positions. The exceptions shall be deemed effective 10 days
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     after a certification notice is made. This freeze shall remain in
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     effect until the legislature enacts a FY 1986 appropriaions law or
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     until January 8, 1986, whichever is earlier. The freeze shall apply
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     to all vacant and new positions and all independent contractor
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     contracts. There shall be no retroactive salary payments covering
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     any part of the period during which Section 9 is effective. The
     freeze shall apply to the Senate only in regards to the dollar amount
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     of the appropriation in Section 13(b).
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          Section 10. Medical Referral and Supply Policy. By no later
     than August 1, 1985, the Director of Public Health and Environmental
     Services shall issue a new schedule of fees for medical referral and
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    medical supplies to be effective on September 1, 1985. The fees shall
     implement a means test for medical referral financial assistance.
     Medical supplies shall be priced at a rate related to their cost.
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          Section 11. Spending Limitation. The executive, judiciary, and
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     legislature shall not obligate or expend more than one quarter of
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     their annual appropriations between October 1, 1985 and the second
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     Monday of January 1986. As of October 1, 1985, the appropriations of
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     the legislature shall not exceed $2,800,000 to be divided equally
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1	between the two houses. In the event an appropriations act is not
2	enacted before October 1, 1985, each house of the legislature shall
3	allocate its budget by its rules.
4	Section 12. Public Auditor. Before August 1, 1985, the Public
5	Auditor shall transfer \$100,000 from his account to the general fund.
6	Section 13. <u>Appropriation</u> . There is hereby appropriated for FY
7	1985 the following amounts:
8	(a) For fuel, medical referral, and medical
9	supplies; provided that none of these funds shall be
10	used for personnel cost \$2,775,000
11	(b) For fourth quarter Senate operations for
12	majority, minority, coalition, and legislative
13	delegations, to be allocated by the rules of the
14	Senate; provided that none of the funds shall be used
15	except for personnel cost (280,000), travel outside
16	the Commonwealth (\$10,000), travel within the
17	Commonwealth (\$10,000)
18	(c) For the Second Constitutional
19	Convention Post Convention Committee \$ 25,000
20	Section 14. Administration of Appropriated Funds.
21	(a) <u>Expenditure Authority</u> . The funds appropriated
22	by Section 13(a) and (c) may be obligated and expended
23	by the governor, and Post Constitutional Convention
24	Committee Chairman, if established by law, from the
25	Second Constitutional Convention, respectively.

1	(b) <u>Reprogramming</u> . The funds appropriated
2	by Section 13 and Chapter 2, Section 102 shall not
3	be reprogrammed for other purposes. If there are
4	funds remaining after FY 1985 expenditures are made,
5	the balances shall revert to the general fund for
6	further appropriation.
7	(c) This act shall not be counted as continuing
8	budget authority in FY 1986.
9	Section 15. <u>Cash Flow Requirement</u> . Notwithstanding an
10	provisions of law:
11	(a) The Governor or his designee may enter
12	into an agreement with a lending institution to
13	meet the short-term cash flow needs of the
14	government, provided that the government shall
15	guarantee that the funds advanced will be repaid
16	as soon as funds become available from the sources
17	identified within this act.
18	(b) If the cash flow requirements of the
19	public corporations so require, the Economic
20	Development Loan Fund, and the successor
21	Commonwealth Development Authority, shall loan
22	the public corporations sufficient funds without
23	interest to meet their cash flow needs so that
24	they may continue meeting the economic development
25	needs of the Northern Marianas.

1 Section 16. Conforming Amendment. 2 CMC, Division 4, Chapter 4, 2 Article 3 is amended to add a new Section 4434 to read as follows: 3 "Section 4434. MIHA: Expenditure Authority. Funds 4 in the form of annual contributions to be paid by the U.S. 5 Department of Housing and Development to MIHA as rental 6 subsidy for the 34 housing units to be constructed 7 pursuant to the appropriation set out in Section 1(A) 8 of Public Law 3-3 shall be retained by MIHA to defray 9 the cost of the administration of the program, repairs, maintenance, replacement of equipment pertinent to the 10 11 units, and other related expenses or obligations of the 12 Mariana Islands Housing Authority in the development of 13 housing programs for low and moderate income families 14 in the Northern Mariana Islands. No later than 3 months 15 after the closing of each fiscal year, MIHA shall report to the Governor and the Legislature in detail on the use 16 of the funds." 17 18 Section 17. Waiver. P.L. 4-49 shall not apply to any public 19 corporation whose Board has voted before July 1, 1985 to authorize the 20 issuance of bonds for a specific project. 21 CHAPTER 2. CIP FUNDING 22 Section 101. <u>Identification of Resources for CIP</u>. Notwithstanding the provisions of 1 CMC Section 7201(d), there is identified the sum 23 24 of \$540,000 from the CIP revenues and funds received pursuant to 25 Section 702 of the Covenant. The funds appropriated by this Act are 26 equal to the CIP appropriations vetoed in Public Law 4-40.

1	Section 1	02. <u>Appropriation for CIP</u> . There is appropr	iated
2	\$540,000 from	the revenues identified in Section 101 of thi	s Act as
3	follows:		
4	Α.	To procure and maintain heavy equipment	
5		for the Department of Public Works \$	75,000
6	В.	To procure emergency parts for the Rota	
7		Power Plant Generator/Site preparation	
8		for new Power Plant \$	100,000
9	С.	To procure a passenger bus for Rota	
10		Senior Citizens	20,000
11	D.	To procure riding mower and spare parts	
12		for Tinian Public School	5,000
13	Ε.	To procure a vehicle for Tinian Senior	
14		Citizens	20,000
15	F.	For the construction of San Vicente	
16		Elementary School Cafeteria	30,000
17	G.	For various CIP Projects identified by	
18		the Governor	82,000
19	н.	To improve and replace the water supply	
20		and distribution system in the Kagman/Agag	
21		area. This amount shall be in addition to	
22		the amount already appropriated in Section	
23		3A(1) of P.L. 4-40	168,000
24	I.	To upgrade water distribution line in Marpo	
25		area in Tinian	40,000

1	Section 103. Expenditure Authority for CIP.
2	(a) The expenditure authority in Section 102 A,
3	B, F, G, H, and I shall be the Governor or his designee.
4	(b) The expenditure authority in Section 102 C shall
5	be the Mayor of Rota.
6	(c) The expenditure authority in Section 102 D and E
7	shall be the Mayor of Tinian.
8	Section 104. Repealer. Items A, C, E, D, and G of Section 2 of
9	Public Law No. 4-28 are repealed.
10	Section 105. <u>Severability</u> . If any provision of this Act or any
11	rule, regulation, or order promulgated hereunder, or the application
12	of any such provision, rule, regulation or order to any person or
13	circumstances shall be held invalid, by a court of competent
14	jurisdiction the remainder of this Act or any rules, regulations or
15	orders promulgated pursuant thereto or the application of such
16	provisions, regulations, rules or orders to persons or circumstances
17	other than those to which it is held invalid, shall not be affected
18	thereby.
19	Section 106. Effective Date. This act shall take effect upon its
20	approval by the governor or upon its becoming law without such approval.
	Vicente M. Sablan Speaker of the House  ATTEST:  Daniel Q. Quitugea Chief Clerk

Section 8+10 are vetoed.

Pedro P. Tenorio

Governor

Commonwealth of the Northern Mariana Islands

Doar \_\_\_ to be a momber of the Post fuestion Committee astablished puestion to Public Law 4-52. You will be regresenting this Committee sett play an inputet the committee sett play an inputet to use in the futine of the Commonwell decision to be a part of thes Committee demonstrates your deside to be of sorvice to your people. You have been highly recommended by the the President of the Decord and I shall his opening that you will discharge your duties and sespensibilities in an importial and professional manner. Sincorely Polo 1. Tandio

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