

**TITLE 2: NATURAL RESOURCES**  
**DIVISION 4: LAND RESOURCES**

**§ 4743. Land Compensation Fund.**

(a) There is hereby established a special fund within the Department of Finance which shall be known and designated as the Land Compensation Fund.

(b) The purpose of the Fund shall be to pay principal and interest on any financing entered into by the Commonwealth for the acquisition of real property through funding of the retirement of land compensation claims against the Commonwealth as authorized by this Act.

(c) The CDA, for and in the name and on behalf of the Commonwealth, may pledge as additional security for, and provide for payment of, principal and interest on the bonds and any interim financing from amounts in the Fund, and covenant not to amend subparagraph (ii) of 4 CMC § 1803(e) as amended by PL 13-39 in any manner that would impair the security for the bonds or interim financing.

(d) *Transfer of Bond Proceeds to DPL.* After satisfying any commission or fee, costs of issuance, reserves, credit enhancement, interim bond financing or other similar expenses, and after transferring the requisite amount for the Commonwealth prison project to the Department of Finance for deposit into an account for the project, the CDA-appointed trustee, pursuant to Public Law 11-3, shall retain the remaining balance of the bond proceeds. The trust funds and earnings thereof are hereby continuously appropriated solely for the purpose of paying out land compensation claims and to meet reasonable expenses of administering the purposes of this act, such expenses limited to obtaining appraisals, title searches and conducting administrative hearings, subject to conditions necessary to maintain tax exemption of the bonds or any interim financing. The Commissioner of DPL shall have expenditure authority over the funds in the account subject to approval of claims by the Board. Such funds shall be drawn down from the trustee based upon procedures established by the DPL Board and upon the concurrence of the Secretary of Finance.

(e) The Commissioner of the Department of Public Lands shall have expenditure authority over the Fund, subject to approval of claims by the Board.

(f) In implementing this section, the Department of Public Lands shall first compensate the acquisition of private lands for right of way purposes, including but not limited to public road construction by date order first certified. After those claims have been compensated, the Department of Public Lands shall then compensate those claims involving the acquisition of private land for the purpose of constructing public ponding basins. Wetland and other claims shall be entertained only after claims involving right of way and ponding basin acquisitions have been compensated.

Appendix 1 is a listing from DPL of all currently existing uncompensated land claims. All claims on this list shall be settled by date order first certified prior to any other.

**Source:** PL 13-17, § 4; subsection (b) amended, subsections (c) and (d) re-designated as (e) and (f), respectively, and new subsections (c) and (d) added by PL 13-39, § 3, modified; (d) amended by PL 13-56, § 5; (d) and (f) amended by PL 14-29, § 1(c) and (a), modified, respectively; (d), (e), and (f) global

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amendments by PL 15-2, § 4; (f) repealed and reenacted by 15-92, § 2, modified.

**Commission Comment:** The Commission changed “this Act” to “this section” in subsection (f) pursuant to the authority granted by 1 CMC § 3806(d).

PL 13-56 was enacted on July 25, 2003 and contained findings and purpose, repealers and reenactments, severability, savings, and other provisions. See the comment to 2 CMC § 4742 regarding PL 13-56. PL 14-29 took effect on September 21, 2004 and contained severability and savings clause provisions among other amendments and provisions.

PL 15-2, which was enacted on February 22, 2006, abolished the Marianas Public Lands Authority and created a Department of Public Lands in its place. PL 15-2 contained short title, legislative findings and declaration of policy, repealer, global amendment, transition, severability, and savings clauses. See 1 CMC § 2801 for detailed information regarding PL 15-2.

Public Law 15-66 was enacted on June 12, 2007, but was not codified by the Commission due to difficulty comprehending the proper place for codification especially since it was not clear whether it was intended for Mr. Guerrero to receive a land exchange or monetary compensation for his properties, and also since PL 13-17 referenced in the findings of PL 15-66 did not actually contain a list of land owners entitled to monetary compensation. Moreover, it should be noted that a “historical site” designation is not specifically listed as compensable under subsection (f) above nor is it excluded, and PL 15-66 did not amend the subject subsection (f) to explicitly include historical site designations. The relevant sections of PL 15-66 are listed below:

Section 1. Findings and Purpose. The Legislature finds that Mr. Francisco Santos Deleon Guerrero (Mr. Guerrero) has not been justly compensated for properties he owns in Kagman because of the CNMI Government designating it a historical site. Mr. Guerrero is the owner of real property located in Kagman, Saipan: Lot H 300A-5, Lot H 300-1-R1, Lot H 300-R2, and Lot H 300-9-1 (Kagman Properties) comprising a total of 2,610 square meters. (See also DLS Check Nos. 2135/89 and 2021/04)

On July 31, 1992, the CNMI Historic Preservation Office requested then Governor Lorenzo I. Deleon Guerrero to issue a certification for the acquisition of the Kagman Properties owned by Mr. Deleon Guerrero, which was the site of the Old Japanese Shinto Shrine, also called “Hachiman Jinja.” On August 6, 1992, then Acting Governor Benjamin T. Manglona certified that the Kagman properties owned by Mr. Deleon Guerrero were sites of “historical significance” that must be preserved and protected for future public facilities.

On November 25, 1992, P & R Enterprises appraised the Kagman properties at the request of Mr. William R. Concepcion, then executive director of the Marianas Public Lands Corporation. On June 14, 2004, then Governor Juan N. Babauta, in a memorandum to the Commissioner of the Marianas Public Lands Authority, certified the Kagman properties for land exchange. On July 23, 2002, then Governor Juan N. Babauta signed into law Public Law 13-17 providing for monetary compensation

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to land owners whose acquisition of their properties were a result of eminent domain or other legal proceedings. Unfortunately, Mr. Guerrero was not listed as one of the land owners in Public Land 13-17.

Section 2. Compensation. As provided for by Public Law 13-17, Mr. Francisco Santos Deleon Guerrero is hereby listed as one of the land owners to be justly compensated for his Kagman properties: Lot H 300A-5, Lot H 300-1-R1, Lot H 300-R2, and Lot H 300-9-1 comprising a total of 2,610 square meters, now a designated historic site for the benefit of the Commonwealth of the Northern Mariana Islands.

PL 15-92 became law on October 2, 2007 and contained eight pages of specific land compensation listings. PL 15-92 also contained severability and savings clause provisions and the following:

Section 1. Findings and Purpose. The Legislature finds that Public Law No. 13-17, the "Land Compensation Act of 2002," prioritized compensation in order to balance the need to compensate landowners with the need to address critical infrastructure needs, namely, issues of right of way and road construction. Compensation was prioritized as follows: (1) Right of Way purposes, including but not limited to public road construction; (2) Public Ponding Basin construction; (3) Wetland; and (4) Other claims. The Legislature further finds that Public Law No. 14-29 removed this prioritization with the intent to treat all claims equally. However, the Legislature now finds that many capital improvement road projects are at a standstill as landowners still have not been compensated for their lands. In fact, millions of dollars were used to compensate wetland and ponding basin claims first. The government neglected to address critical right of way claims thus continuing to leave many road construction projects in limbo. Therefore, the purpose of this Act is to restore the prioritization of land compensation claims so that the Commonwealth can proceed with its crucial road construction projects.

The Commission did not codify Appendix 1 to PL 15-92.