

RALPH DLG. TORRES
Governor



ARNOLD I. PALACIOS
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

31. AUG 2020

The Honorable Blas Jonathan "BJ" T. Attao
Speaker, House of Representatives
Twenty-First Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

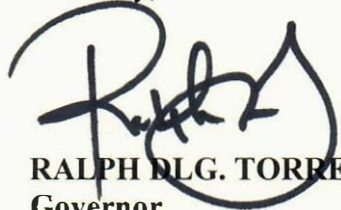
The Honorable Victor B. Hocog
Senate President, The Senate
Twenty-First Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Mr. Speaker and Mr. President:

This is to inform you that I have signed into law **House Bill No. 21-98, HS1**, entitled, "To authorize the Governor to enter into agreements to offset the Commonwealth judgment liabilities against the judgment creditors tax liability,," which was passed by the House of Representatives and the Senate of the Twenty-First Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 21-32**. Copies bearing my signature are forwarded for your reference.

Sincerely,



RALPH DLG. TORRES
Governor

cc: Lt. Governor; Press Secretary; Secretary of Finance; Law Revision Commission; Public Auditor; Special Assistant for Administration; Special Assistant for Programs and Legislative Review



House of Representatives

TWENTY-FIRST NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. Box 500586
SAIPAN, MP 96950

July 23, 2020

The Honorable Ralph DLG. Torres
Governor
Commonwealth of the Northern
Mariana Islands
Capitol Hill
Saipan, MP 96950

Dear Governor Torres:

I have the honor of transmitting herewith for your action **H. B. No. 21-98, HS1**, entitled: "To authorize the Governor to enter into agreements to offset the Commonwealth judgment liabilities against the judgment creditors tax liability.", which was passed by the House of Representatives and the Senate of the Twenty-First Northern Marianas Commonwealth Legislature.

Sincerely yours,


Linda B. Muña
House Clerk

Attachment



Twenty-First Legislature
of the
Commonwealth of the Northern Mariana Islands

IN THE HOUSE OF REPRESENTATIVES

THIRD REGULAR SESSION

FEBRUARY 7, 2020

REPRESENTATIVE SHEILA J. BABAUTA of Saipan, Precinct 4 (*for herself*), in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H. B. No. 21-98, HS1

AN ACT

**TO AUTHORIZE THE GOVERNOR TO ENTER INTO AGREEMENTS
TO OFFSET THE COMMONWEALTH JUDGMENT LIABILITIES
AGAINST THE JUDGMENT CREDITORS TAX LIABILITY.**

The Bill was referred to the House Committee on Ways and Means,.

**THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON
FIRST AND FINAL READING, MAY 21, 2020;**
with amendments in the form of H. B. No. 21-98, HS1 and transmitted to the
THE SENATE.

The Bill was referred to the Senate Committee on Fiscal Affairs, which submitted
Standing Committee Report 21-102; adopted 7/16/2020.
THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, JULY 16, 2020;
without amendments and was returned to
THE HOUSE OF REPRESENTATIVES.

THE BILL WAS FINALLY PASSED ON MAY 21, 2020.



Linda B. Muña, House Clerk



Twenty-First Legislature
of the
Commonwealth of the Northern Mariana Islands
IN THE HOUSE OF REPRESENTATIVES

FIRST DAY, SECOND SPECIAL SESSION

MAY 21, 2020

H. B. No. 21-98, HS1

AN ACT

TO AUTHORIZE THE GOVERNOR TO ENTER INTO AGREEMENTS
TO OFFSET THE COMMONWEALTH JUDGMENT
LIABILITIES AGAINST THE JUDGMENT CREDITORS TAX
LIABILITY.

**BE IT ENACTED BY THE TWENTY-FIRST NORTHERN
MARIANAS COMMONWEALTH LEGISLATURE:**

1 **SECTION 1. FINDINGS AND PURPOSE.**

2 The Legislature finds that the Commonwealth government has been a party to a number
3 of lawsuits that were not ruled in its favor. Certain rulings have obligated the government to
4 pay millions of dollars to opposing parties. When the government fails to timely pay on
5 judgments, interest accrues on both the principal and penalties imposed, worsening financial
6 strain to the government. In the case of two judgments against the government, Tano Group,
7 Inc. v. Department of Public Works (Civ. No. 05-0100) and Manglona v. CNMI (Civ. No. 97-
8 0486), interest continues to accrue on outstanding balances as a result of insufficient funds
9 appropriated pursuant to Public Law 20-42, Section 2(i).

HOUSE BILL 21-98, HS1

1 The purpose of this Act is to authorize the Governor to enter into agreements with the
2 respective judgment creditors in these cases to offset the government's judgment liability
3 against the judgment creditors' outstanding Commonwealth tax liabilities.

4 **SECTION 2. ENACTMENT.**

5 The following is hereby enacted:

6 “(a) The judgment against the Commonwealth Government in *Tano Group, Inc.*
7 *v. DPW et al., Civ. No. 05-0100* may be offset against any tax liability, including
8 penalties and interest, of the judgment creditor in such action.

9 (b) The judgment against the Commonwealth Government in *Manglona v.*
10 *CNMI, Civ. No. 97-0486* may be offset against any tax liability, including penalties and
11 interest, of the judgment creditor in such action, as well as tax liabilities, including
12 penalties and interest, of other individuals and entities agreed upon between the
13 judgment creditor and Governor.

14 (c) The Governor in consultation with the Secretary of Finance shall determine
15 and approve the amount of the offset to be applied.”

16 **SECTION 3. SEVERABILITY.**

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

21 **SECTION 4. SAVINGS CLAUSE.**

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

HOUSE BILL 21-98, HS1

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SECTION 5. EFFECTIVE DATE.

This Act shall take effect upon its approval by the Governor, or its becoming law without such approval.

Attested to by:




Linda B. Muña, House Clerk

Certified by:



SPEAKER BLAS JONATHAN "BJ" T. ATTAO
House of Representatives
21st Northern Marianas Commonwealth Legislature

Approval this 31st day of August, 2020



RALPH DLG. TORRES
Governor
Commonwealth of the Northern Mariana Islands