



Arnold I. Palacios
Governor

David M. Apatang
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

19 APR 2024

GOV2024-355

The Honorable Edmund S. Villagomez
Speaker, House of Representatives
Twenty-Third Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

The Honorable Edith E. Deleon Guerrero
President of the Senate
Twenty-Third Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Mr. Speaker and Madame President:

This is to inform you that I have signed into law **House Bill No. 23-80**, entitled, "To establish a fund from opioid settlement monies and a council to oversee funding for substance abuse abatement programs," which was passed by the House of Representatives and the Senate of the Twenty-Third Northern Marianas Commonwealth Legislature.

I note, however, two concerns with the bill raised by the Office of the Attorney General. First, because the Judiciary is not represented on the Council, funding may be diverted towards substance abuse programs housed within the executive branch rather than to the Drug Court. Further, the Governor as a member of the Council might be precluded from voting on many matters by conflict of interest rules because the Community Guidance Center and H.O.P.E. Recovery Center are within the Office of the Governor.

Second, the bill's requirement that the Attorney General promulgate regulations to implement the controlling court order may be duplicative of the court order itself. I invite the Legislature to consider future legislation to amend these provisions.

This bill becomes **Public Law No. 23-19**. Copies bearing my signature are forwarded for your reference.

Sincerely,



ARNOLD I. PALACIOS
Governor

cc: Lieutenant Governor
Attorney General
Commonwealth Law Revision
CEO, Commonwealth Health Care Corporation
Public Auditor
Special Assistant for Administration
Secretary of Finance
Special Assistant for Substance Abuse and Rehabilitation
Community Guidance Center
H.O.P.E. Recovery Center
Drug Court Division, CNMI Judiciary
Programs and Legislative Review Office



Public Law No. 23-19
TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
HOUSE OF REPRESENTATIVES

P.O. BOX 500586
SAIPAN, MP 96950
cnmileg.net

March 15, 2024

The Honorable Arnold I. Palacios
Governor
Commonwealth of the Northern
Mariana Islands
Capitol Hill
Saipan, MP 96950

Dear Governor Palacios:

I have the honor of transmitting herewith for your action **H. B. No. 23-80**, entitled: "To establish a fund from opioid settlement monies and a council to oversee funding for substance abuse abatement programs.", which was passed by the House of Representatives and the Senate of the Twenty-Third Northern Marianas Commonwealth Legislature.

Sincerely yours,


Linda B. Muña
House Clerk

Attachment





**TWENTY-THIRD NORTHERN MARIANA COMMONWEALTH LEGISLATURE
IN THE HOUSE OF REPRESENTATIVES**

SECOND REGULAR SESSION

OCTOBER 5, 2023

REPRESENTATIVE JOEL C. CAMACHO OF SAIPAN, PRECINCT 4 (*for himself*, Representatives Vincent R.S. Aldan, Blas Jonathan "BJ" T. Attao, Angelo A. Camacho, Diego V. F. Camacho, Manny G. T. Castro, Marissa R. Flores, Julie M. A. Ogo, and John Paul P. Sablan) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H. B. No. 23-80

AN ACT

TO ESTABLISH A FUND FROM OPIOID SETTLEMENT MONIES AND A COUNCIL TO OVERSEE FUNDING FOR SUBSTANCE ABUSE ABATEMENT PROGRAMS.

IN THE HOUSE OF REPRESENTATIVES

The Bill was not referred to a House Committee.

**THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON
FIRST AND FINAL READING, OCTOBER 5, 2023;
without amendments and transmitted to THE SENATE.**

IN THE SENATE

The Bill was referred to the Senate Committee on Fiscal Affairs, which submitted Standing Committee Report 23-75; adopted 3/12/2024.

**THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, MARCH 12, 2024;
without amendments and returned to THE HOUSE OF REPRESENTATIVES.**

**H. B. NO. 23-80 IS DULY PASSED BY THE TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE.**



Linda B. Muña, House Clerk



TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
IN THE HOUSE OF REPRESENTATIVES

FIFTH DAY, SECOND REGULAR SESSION

OCTOBER 5, 2023

H. B. No. 23-80

AN ACT

**TO ESTABLISH A FUND FROM OPIOID SETTLEMENT MONIES AND
A COUNCIL TO OVERSEE FUNDING FOR SUBSTANCE
ABUSE ABATEMENT PROGRAMS.**

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

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

2 The Commonwealth of the Northern Mariana Islands (CNMI) anticipates receiving
3 substantial payments from settlement of litigation against the manufacturers and distributors
4 of prescription opioid analgesics, pharmacies dispensing prescription opioid analgesics and
5 related parties for alleged contributions to high rates of drug overdoses and other drug-related
6 harms.

7 Using this money to address substance use disorders, overdoses, and drug-related harms
8 will require dedication, resources, and many years. Directing opioid litigation proceeds to
9 establish, sustain, and expand substance use abatement services for prevention, treatment,

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1 recovery, and harm reduction in the Northern Mariana Islands will represent a critically
2 important down payment on work to be done.

3 This bill establishes a dedicated fund for substance abuse disorder abatement. This bill
4 also establishes a Council to handle the award of monies to agencies that engage in substance
5 abuse disorder abatement.

6 **SECTION 2. AMENDMENT.**

7 Title 3, Division 2, Chapter 1 of the Commonwealth Code is amended by adding a new
8 Article 11 as follows:

9 **“Article 11. Opioid Settlement Fund and Council**

10 **§ 21111. Opioid Settlement Fund.**

11 (a) Fund established. The Opioid Litigation Proceeds Fund is hereby established
12 in the Commonwealth treasury. The Fund shall operate as a dedicated fund to be
13 administered by the Department of Finance. Monies in the Fund shall not revert to the
14 General Fund of the Commonwealth treasury.

15 (b) Credits to Fund. There shall be credited to the Fund:

16 (1) Proceeds received by the Commonwealth in connection with legal claims
17 made against manufacturers and distributors of prescription opioid analgesics,
18 pharmacies that dispensed prescription opioid analgesics, and related parties, regardless
19 of whether such proceeds are received as a lump sum or series of payments to be made
20 over a period of time;

21 (2) Monies appropriated by or transferred to the Fund by the Legislature;

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1 (3) Gifts, donations, grants, bequests, and other monies received by the
2 Commonwealth on the Fund's behalf; and

3 (4) Any interest in monies in the Fund.

4 (c) Permissible expenditures. Monies in the Fund shall be spent only for
5 substance use disorder abatement purposes, upon the approval of the Opioid Proceeds
6 Council (Council), and through the following entities:

7 (1) The Hinemlu O'hala Eteramenti (H.O.P.E.) Recovery Center under the
8 Office of the Governor's Substance Abuse, Addiction and Rehabilitation Program;

9 (2) The Substance Abuse Treatment and Recovery Clinic under the Community
10 Guidance Center (CGC);

11 (3) The Drug Court Division of the CNMI Judiciary;

12 (4) Any non-profit that engages in substance abuse prevention; and

13 (5) The Council, provided that administration expenses shall not exceed five (5)
14 percent of the Fund's balance on an annual basis.

15 (d) Prospective use. Unless otherwise required by controlling court order to
16 refund to the federal government a portion of the Proceeds, monies in the Fund shall be
17 used for prospective purposes and shall not be used to reimburse expenditures incurred
18 prior to the effective date of this Act;

19 (e) Disbursement. Funds disbursements shall be made by the Secretary of
20 Finance upon the approval of the Council. The Secretary of Finance shall not make or
21 refuse to make any disbursement allowable under this subsection without the approval
22 of the Council. The Secretary of Finance shall adhere to the Council's decisions

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1 regarding disbursement of monies from the Fund so long as a disbursement is a
2 permissible expenditure.

3 (f) Expenditures Supplementary. Monies expended from the Fund for the
4 purposes set forth in this Act shall be supplemental to, and shall not supplant or take
5 the place of, any other funds, including insurance benefits or local, state, or federal
6 funding, that would otherwise have been expended for such purposes.

7 (g) Investment. As directed by the Attorney General, the Secretary of Finance
8 shall have the responsibility for the investment and reinvestment of monies in the Fund.
9 On or before January 31 of each year, the Secretary of Finance shall issue a public
10 report, free of charge and available online.

11 **§ 21112. Opioid Proceeds Council.**

12 (a) Council established. There is established an Opioid Proceeds Council.

13 (b) Purpose. The purpose of the Proceeds Council is to ensure that proceeds
14 received by the Commonwealth pursuant to this Act are allocated and spent on the
15 Commonwealth's substance use disorder abatement, infrastructure, programs, services,
16 supports, and resources for prevention, treatment, recovery, and harm reduction; and to
17 ensure accountability and transparency in allocating monies for the Fund.

18 (c) Council Membership.

19 (1) The Council shall be composed of three (3) voting members. The Council
20 may approve nonvoting members as needed.

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(2) The Council voting members shall exist as follows:

(A) Chief Executive Officer of the Commonwealth Healthcare Corporation or designee;

(B) Attorney General or designee;

(C) Governor or designee.

(d) Council duties and powers.

(1) The Council shall have the following duties and powers:

(A) Recommend and approve policies and procedures for the administration of the Council and for the application, awarding, and disbursement of monies from the Fund, to be used for the purposes set forth in this Act;

(B) Recommend and approve goals, objectives, and their rationales, sustainability plans, and performance indicators relating to substance use disorder prevention, treatment, recovery, and harm reduction efforts;

(C) Approve awards of monies from the Fund exclusively for permissible expenditures set forth in this Act; and

(D) Approve suspension of allocation of monies from the Fund to recipients found by the Council to be substantially noncompliant with Council policies and procedures, rules, or regulations of the Northern Mariana Islands; or to have used such awards for a purpose other than an approved purpose. The Council may resume approval of such allocations once the Council has determined the recipient has adequately remedied the cause of such suspension.

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1 (2) Employ an executive director and staff to support the meetings and functions
2 of the Council and direct the day-to-day activities.

3 (e) Council Meetings.

4 (1) The Council shall hold at least quarterly public meetings each year. A
5 meeting may be called by the chair or by a majority of the Council's members.
6 Members may attend meetings in person, remotely by audiovisual means, or, upon
7 approval by the chair, by audio-only means;

8 (2) Meetings shall be publicized and held in a manner reasonably designed to
9 facilitate in-person and live-stream attendance by residents throughout the
10 Commonwealth. The Council shall function in a manner consistent with the Open
11 Government Act, as amended and codified at 1 CMC §§ 9901-9917 and with the federal
12 Americans with Disabilities Act, as amended.

13 (f) Voting. For each meeting of the Council, a majority of the members shall
14 constitute a quorum for the transaction of business. If there is a quorum, then all actions
15 of the Council shall be taken by an affirmative vote of a majority of the members
16 present at the meeting.

17 (g) Compensation. Members may be reimbursed for actual and necessary
18 expenses for travel to attend a Council meeting, which shall take place in the CNMI.

19 (h) Conflicts of interest. In compliance with the Government Ethics Code at 1
20 CMC §§ 8501-8577, the members must disclose to the Council, refrain from
21 participating in discussions and recuse themselves from voting on any matter before
22 the Council if members have a conflict of interest.

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1 (i) Termination. The Council will terminate when all monies received pursuant
2 to the Fund have been received and disbursed unless the Attorney General certifies that
3 additional monies are anticipated.

4 **§ 21113. Court Order and Regulations.**

5 The Council shall disburse monies from the Fund in a manner consistent with
6 the limitations on uses of litigation proceeds set forth in any controlling court order.
7 The Attorney General shall promulgate regulations consistent with the controlling court
8 order and this Act.

9 **§ 21114. Reporting.**

10 Not later than October 31 of each year, beginning one year after the initial
11 deposit of proceeds into the Fund, the Council shall provide a written report to the
12 Governor, Speaker of the House of Representatives, Senate President, and Attorney
13 General, detailing the Council's activities during the prior calendar year. The report
14 shall be published on a website established by the Council."

15 **SECTION 3. SEVERABILITY.**

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

20 **SECTION 4. SAVINGS CLAUSE.**

21 This Act and any repealer contained herein shall not be construed as affecting any
22 existing right acquired under contract or acquired under statutes repealed or under any rule,

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1 regulation, or order adopted under the statutes. Repealers contained in this Act shall not affect
2 any proceeding instituted under or pursuant to prior law. The enactment of the Act shall not
3 have the effect of terminating, or in any way modifying, any liability, civil or criminal, which
4 shall already be in existence on the date this Act becomes effective.

5 **SECTION 5. EFFECTIVE DATE.**

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

Attested to by:




Linda B. Muña, House Clerk

Certified by:



SPEAKER EDMUND S. VILLAGOMEZ
House of Representatives
23rd Northern Marianas Commonwealth Legislature

Approved this 19th day of April, 2024



ARNOLD I. PALACIOS
Governor
Commonwealth of the Northern Mariana Islands