



COPY

THE SENATE  
Twenty-Fourth Northern Marianas Commonwealth Legislature  
P. O. Box 500129  
Saipan, MP 96950

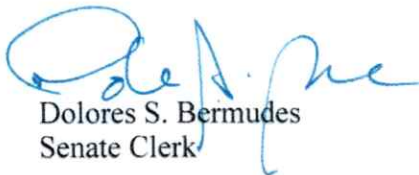
April 25, 2025

The Honorable Edmund S. Villagomez  
Speaker  
House of Representatives  
24<sup>th</sup> Northern Marianas Commonwealth Legislature  
Saipan, MP 96950

Dear Speaker Villagomez:

I have the honor of transmitting for your House action **Senate Bill No. 24-18, SD1**, entitled, "To amend 1 CMC §2803 regarding the budget submission of the Department of Public Lands; and for other purposes." The Senate passed S.B. No. 24-18, SD1 by unanimous voice vote, in its 1st Day, First Special Session on April 25, 2025.

Sincerely,

  
Dolores S. Bermudes  
Senate Clerk

Attachment

**Transmitted to HOUSE:**

Received by: PSB Date: <sup>2025</sup>01.29.2025 Time: 09:06 am

**A BILL FOR AN ACT**

To amend 1 CMC § 2803 regarding the budget submission of the Department of Public Lands; and for other purposes.

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

1           **Section 1. Findings and Purpose.**

2           The Legislature finds that public land leases have been governed by the  
3 fundamental policies outlined in Section 5 of Article XI of the CNMI Constitution and  
4 Public Law 15-2. The Legislature, however, finds that based on the CNMI Supreme  
5 Court ruling in *DPL v. CNMI*, 2010 MP 14 (Oct. 4, 2010), Section 5 of Article XI of the  
6 CNMI Constitution is inoperative. Therefore, the Legislative and Executive Branches  
7 have the authority to establish the fundamental policies governing public lands.  
8 Specifically, the Supreme Court held that “the drafters of the NMI Constitution did not  
9 intend for the restrictions contained in Article XI § 5 to bind the Commonwealth  
10 Legislature in perpetuity. We further hold that the legislature possesses the constitutional  
11 authority under Article III § 15 to redefine the functions of executive branch  
12 departments—including DPL. The legislature cannot, however, pass a law that infringes  
13 upon the functions of another constitutional entity.” *Id.* at ¶ 2.

14           The Legislature also finds that the Department of Public Lands must be more  
15 fiscally transparent and accountable for its reasonable administrative and management  
16 expenses. The legislature must clarify the reasonable administrative and management  
17 expenses. Moreover, to prevent DPL from inflating its annual budget and unduly  
18 withholding any surplus revenues from MPLT, the Legislature must approve DPL’s  
19 annual Fiscal Year budget to ensure that DPL’s annual budget complements the  
20 department’s actual personnel and operation requirements each fiscal year. However, the  
21 Legislature finds it equally important to protect DPL revenues by prohibiting any  
22 reprogramming, except reprogramming authorized by law.

1 Accordingly, the purpose of this Act is to amend 1 CMC § 2803.

2 **Section 2. Amendment.** 1 CMC § 2803 is amended to read:

3 “§ 2803. Powers and Duties of the Department of Public Lands.

4 (a) The Department shall be responsible for the administration, use, leasing,  
5 development, and disposition of all those lands defined as public lands by N.M.I. Const.  
6 art. XI, § 1 or any other ~~provision~~ of law, subject to the provisions of this chapter and  
7 except as limited by transfers of freehold interests to individuals, entities, or other  
8 government agencies. The Department’s authority does not extend to the issuance of land  
9 use permits and licenses, except as specifically provided for in this Act, and does not  
10 limit in any respect the authority of other Commonwealth agencies to issue permits and  
11 licenses pursuant to their respective enabling legislation.

12 (b) The Department shall submit each year, for legislative approval, a proposed  
13 annual budget ~~for the next fiscal year in accord with~~ following the budgeting and  
14 planning procedures applicable to all departments of the Executive Branch. Within its  
15 proposed budget, the Department shall itemize all personnel, travel, and other expenses  
16 for the fiscal year in question; the sums required to be expended during the year ~~with~~  
17 ~~respect to~~ for its leasing responsibilities and the homestead program; ~~sums required to be~~  
18 ~~held in reserve for approved homesteads or other Department programs in the next two~~  
19 ~~fiscal years~~ a detailed statement of all other Department assets, liabilities, revenues and  
20 expenditures; and the ~~estimated~~ sum to be transferred at the end of the fiscal year to the  
21 Marianas Public Land Trust.

22 (c) There is hereby established a fund to be known as the “DPL Operations Fund”  
23 which shall be maintained by the Department of Finance. The bank account(s) for the  
24 DPL Operations Fund shall be separate and apart from the General Fund Bank  
25 Account(s) and other funds of the Commonwealth Government. All records and accounts  
26 shall be maintained in connection herewith.

27 (1) All revenues and other funds received by the Department, from  
28 whatever source shall be deposited in the DPL Operations Fund bank account(s)  
29 in banks located in the Commonwealth that are insured by the FDIC.

1           (2) All appropriations by the Commonwealth Legislature shall be allotted  
2 for authorized disbursement of expenditures as approved in the budget.

3           (3) All debts, liabilities, obligations, and operational expenses of the  
4 Department ~~including land compensation judgments~~ shall be paid from the DPL  
5 Operations Fund bank account(s).

6           (4) No expenditures not included in the approved budget, and no debt,  
7 obligation, or liability shall be incurred or created in any fiscal year, in excess of  
8 the amounts specified ~~therein for each purpose~~ in the DPL budget.

9           (5) The expenditure authority of ~~all the funds collected by the Department~~  
10 ~~or~~ appropriated to the Department by the Commonwealth Legislature shall be the  
11 Secretary of the Department, or designee.

12           (d) The DPL shall assess, manage, and collect all mining permit fees for the use  
13 of CNMI public lands. If the DPL or any of its predecessors issued a Commercial Mining  
14 Permit and received and accepted payment pursuant to said permit, such permit shall be  
15 held valid and enforceable for the period covered by said payment(s), and shall not be  
16 terminated or voided during said period except by the written consent of both the  
17 permittee and the DPL.

18           (e) If the DPL delays or prevents the permit holder from performing any act  
19 required by the permit without the fault and beyond the reasonable control of the permit  
20 holder, the time to perform such act under said permit shall be excused, and the permit  
21 holder shall be given reasonable time necessary to perform such act.

22           (f) The DPL Secretary shall remit the net revenue to the Marianas Public Land  
23 Trust within forty-five (45) calendar days of the end of each fiscal year. "Net revenue" is  
24 defined as the amount of funds collected by DPL over the DPL budget including surplus  
25 funds from lease agreements, interest on accounts, and fees or royalties from public land  
26 permits. "Net revenue" shall not include any security deposits held by DPL under  
27 existing land lease agreements.

28           ~~(fg) The effective date of this Act shall be retroactive to February 22, 2006. The~~  
29 DPL Secretary shall provide a detailed report of all the revenues collected and

1 expenditures to the presiding officers of the legislature within 30 calendar days at the end  
2 of its each quarter.”

3         **Section 3. Severability.** If any provision of this Act or the application of any  
4 such provision to any person or circumstance should be held invalid by a court of  
5 competent jurisdiction, the remainder of this Act or the application of its provisions to  
6 persons or circumstances other than those to which it is held invalid shall not be affected  
7 thereby.

8         **Section 4. Savings Clause.** This Act and any repealer contained herein shall not  
9 be construed as affecting any existing right acquired under contract or acquired under  
10 statutes repealed or under any rule, regulation, or order adopted under the statutes.  
11 Repealers contained in this Act shall not affect any proceeding instituted under or  
12 pursuant to prior law. The enactment of the Act shall not have the effect of terminating,  
13 or in any way modifying, any liability, civil or criminal, which shall already be in  
14 existence on the date this Act becomes effective.

15         **Section 5. Effective Date.** This Act shall take effect upon its approval by the  
16 Governor or becoming law without such approval.

Date: 02/11/25

Introduced By: /s/ \_\_\_\_\_  
Senator Karl King-Nabors

Reviewed for Legal Sufficiency by:

/s/ Jose A. Bermudes  
Senate Legal Counsel