



TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

HOUSE OF REPRESENTATIVES

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

April 24, 2025

HOUSE
FILE

The Honorable Dennis C. Mendiola
President
The Senate
Twenty-Fourth Northern Marianas
Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Dear Senate President Mendiola:

I have the honor of transmitting herewith for Senate *action* **H. B. No. 24-8, HD1**, entitled: **“To amend 1 CMC § 2803 to ensure that public land revenues are managed and invested by the Marianas Public Land Trust in accordance with Article XI, Section 6 of the Constitution of the Northern Mariana Islands.”**, which was passed by the House of Representatives on First and Final Reading, by the majority vote of the members present, a quorum being present, during its First Day, First Special Session on April 24, 2025.

Sincerely yours,


Linda B. Muña, MPA
House Clerk

Attachment

Transmittal to the SENATE

Received by: 

Date: 4/24/25

Time: 3:26 pm

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 2025

First Regular Session, 2025

H. B. 24-8, HD1

A BILL FOR AN ACT

To amend 1 CMC § 2803 to ensure that public land revenues are managed and invested by the Marianas Public Land Trust in accordance with Article XI, Section 6 of the Constitution of the Northern Mariana Islands.

**BE IT ENACTED BY THE 24TH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

1 **Section 1. Findings and Purpose.** This Act transforms the DPL Operations
2 Fund into the MPLT Remittance Fund to ensure compliance with Article XI,
3 Section 6 of the Constitution of the Northern Mariana Islands. As a result, all public
4 land revenues received by the Department of Public Lands (DPL) will no longer be
5 deposited into the DPL Operations Fund. Instead, these revenues will be placed in
6 the MPLT Remittance Fund, which will be subject to an end-of-fiscal-year
7 remittance to the Marianas Public Land Trust (MPLT). This amendment is being
8 made to bring 4 CMC § 2803 into compliance with the constitutional requirement
9 that public land revenues be managed and invested by MPLT for the benefit of the
10 people of Northern Marianas descent. Because this bill transforms the DPL
11 Operations Fund into the MPLT Remittance Fund, this bill also clarifies that DPL

1 will be funded through annual legislative appropriations, like other CNMI agencies,
2 moving forward. An examination of the history of Article XI, Section 6 of the
3 Constitution of the Northern Mariana Islands and the legal interpretations of public
4 land revenue management provides additional support for this Act.

5 The Constitution of the Northern Mariana Islands, ratified in 1977,
6 established Article XI to govern the management of public lands, which belong
7 collectively to the people of Northern Marianas descent. To ensure that public lands
8 and their revenues were properly managed, Article XI created two distinct entities:
9 the Marianas Public Land Corporation (MPLC) to handle the management and
10 disposition of public lands, and the Marianas Public Land Trust (MPLT) to receive
11 and invest the revenues for the benefit of the people of Northern Marianas descent.
12 In 1994, following a constitutional provision for dissolution, the MPLC was
13 dissolved, and its responsibilities were ultimately transferred to the executive
14 branch through the Department of Public Lands (DPL). Notably, despite this
15 transition, the constitutional mandate requiring that all revenues from public lands
16 (except for those from transferred freehold interests to another agency of the CNMI
17 Government) be deposited with MPLT at the end of each fiscal year remained
18 unchanged.

19 In *Dep't of Pub. Lands v. Commonwealth*, 2010 MP 14, the NMI Supreme
20 Court addressed issues regarding the proper handling of public land revenues. That
21 case centered on the constitutionality of Public Law 16-31, which required DPL to

1 use its operating budget for land compensation judgments. The Court ruled that
2 while the Legislature has authority under Article III, Section 15 of the NMI
3 Constitution to reorganize executive functions, it cannot override the constitutional
4 requirement that all public land revenues be remitted to MPLT. The ruling affirmed
5 that MPLT has the authority to receive, manage, and invest public land revenues,
6 and any attempt to divert public land revenues for other purposes is
7 unconstitutional. This decision reinforced the intent of Article XI by ensuring that
8 DPL could not claim discretionary control over funds that constitutionally belong
9 to MPLT.

10 Similarly, in 2018, the CNMI Office of the Attorney General issued an
11 Opinion of the Attorney General (OAG 18-03), which analyzed whether the
12 Legislature could make supplemental appropriations from funds held in the DPL
13 Operations Fund. Like the NMI Supreme Court in *Dep't of Pub. Lands*, the
14 Attorney General determined that all revenues derived from public lands must be
15 remitted to MPLT and cannot be directly used to fund supplemental appropriations
16 to DPL. This conclusion aligns with the NMI Supreme Court's ruling in *Dep't of*
17 *Pub. Lands*, further confirming that revenues derived from public lands must be
18 transferred to MPLT.

19 Most recently, in communication from the Governor to the Speaker of the
20 House and the Senate President, the Governor line-item vetoed a provision in the
21 Appropriations and Budget Authority Act of 2025 due to concerns regarding the

1 management and use of public land revenues. There, the Governor indicated that
2 he line-item vetoed part of Section 711 of the Appropriations and Budget Authority
3 Act of 2025 due to, among other things, its tension with the CNMI Constitution,
4 emphasizing that any unobligated public land revenues at the end of the fiscal year
5 must be remitted to MPLT and cannot be held in reserve by DPL. This action also
6 reaffirms the constitutional requirement that MPLT—not DPL—should be the
7 recipient of these revenues, further highlighting the necessity of this Act.

8 To ensure compliance with constitutional mandates and legal precedents,
9 this bill eliminates the DPL Operations Fund and establishes the MPLT Remittance
10 Fund as the proper repository for public land revenues. Under this revised structure,
11 all revenues generated from public lands will be deposited into the MPLT
12 Remittance Fund and remitted to MPLT at the end of each fiscal year, reinforcing
13 transparency and adherence to Article XI, Section 6 of the NMI Constitution. By
14 clarifying that DPL’s operational costs will be funded through the regular
15 legislative appropriations process, this bill also removes any ambiguity regarding
16 the future funding of DPL. Thus, this Act strengthens the CNMI Government’s
17 financial oversight over public land revenues, ensures that public land revenues are
18 managed and invested exclusively for the benefit of the people of Northern
19 Marianas descent, and brings 1 CMC § 2803 into alignment with established
20 constitutional principles and related judicial interpretations.

1 **Section 2. Amendment.** 1 CMC § 2803 of the Commonwealth Code is
2 hereby amended to read as follows:

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

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

13 (b) The Department shall submit each year a proposed annual budget
14 for the next fiscal year in accord with the budgeting and planning
15 procedures applicable to all departments of the Executive Branch. Within
16 its proposed budget, the Department shall itemize all personnel, travel,
17 utility, operational, and other expenses necessary to carry out its
18 responsibilities, including those related to its leasing functions, the
19 homestead program, and other operational needs. for the fiscal year in
20 question; the sums required to be expended during the year with respect to
21 its leasing responsibilities and the homestead program; sums required to be

1 ~~held in reserve for approved homesteads or other Department programs in~~
2 ~~the next two fiscal years; a detailed statement of all other Department assets,~~
3 ~~liabilities, revenues and expenditures; and the estimated sum to be~~
4 ~~transferred at the end of the fiscal year to the Marianas Public Land Trust.~~

5 (c) There is hereby established a fund to be known as the "~~DPL~~
6 ~~Operations~~ MPLT Remittance Fund" which shall be maintained by the
7 Department of Finance. The bank account(s) for the ~~DPL Operations~~ MPLT
8 Remittance Fund shall be separate and apart from the General Fund Bank
9 Account(s) and other funds of the Commonwealth Government. All records
10 and accounts shall be maintained in connection herewith.

11 (1) All revenues from public lands, except for revenues from
12 public lands where a freehold interest has been transferred to another
13 agency of the CNMI Government, received by the Department, ~~from~~
14 ~~whatever source~~ shall be deposited in the ~~DPL Operations~~ MPLT
15 Remittance Fund bank account(s) in FDIC-insured banks located in
16 the Commonwealth, ~~that are insured by the FDIC.~~

17 (2) ~~All appropriations by the Commonwealth shall be~~
18 ~~allotted for authorized disbursement of expenditures as approved in~~
19 ~~the budget.~~ At the end of each Fiscal Year, and no later than
20 October 31, the funds within the MPLT Remittance Fund shall be

1 remitted to the Marianas Public Land Trust in full, in accordance
2 with N.M.I. Const. art. XI, § 6.

3 ~~(3) All debts, liabilities, obligations and operational~~
4 ~~expenses of the Department including land compensation judgments~~
5 ~~shall be paid from the DPL Operations Fund bank account(s). The~~
6 ~~Department shall maintain accurate records of all amounts collected~~
7 ~~and remitted, and such records shall be subject to audit by the~~
8 ~~appropriate Commonwealth authorities.~~

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

13 ~~(5) The expenditure authority of all funds collected by the~~
14 ~~Department or appropriated to the Department by the~~
15 ~~Commonwealth shall be the Secretary of the Department, or~~
16 ~~designee.~~

17 (d) The operational, utility, and personnel expenses of the
18 Department may be funded through the annual appropriations process. Such
19 appropriations shall be allocated and disbursed in the same manner as other
20 Commonwealth agencies.

1 ~~(d)~~ (e) The DPL shall assess, manage and collect all mining permit
2 fees for the use of CNMI public lands. If the DPL or any of its predecessors
3 issued a Commercial Mining Permit, and received and accepted payment
4 pursuant to said permit, such permit shall be held valid and enforceable for
5 the period covered by said payment(s), and shall not be terminated or voided
6 during said period except by the written consent of both the permittee and
7 the DPL.

8 ~~(e)~~ (f) If the DPL delays or prevents the permit holder from
9 performing any act required by the permit without the fault and beyond the
10 reasonable control of the permit holder, the time to perform such act under
11 said permit shall be excused, and the permit holder shall be given reasonable
12 time necessary to perform such act.

13 ~~(f)~~ (g) Within 30 calendar days after the end of each fiscal quarter,
14 the DPL Secretary shall provide MPLT and the Legislature a detailed report
15 of all revenues collected during that quarter ~~The effective date of this Act~~
16 ~~shall be retroactive to February 22, 2006.”~~

17 **Section 3. Severability.** If any provision of this Act or the application of
18 any such provision to any person or circumstance should be held invalid by a court
19 of competent jurisdiction, the remainder of this Act or the application of its

1 provisions to persons or circumstances other than those to which it is held invalid
2 shall not be affected thereby.

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

10 **Section 5. Effective Date.** This Act shall take effect upon its approval by
11 the Governor, or it becoming law without such approval.

Prefiled: 3/4/2025

Date: _____ Introduced by: /s/ Rep. Marissa R. Flores
/s/ Rep. Julie M.A. Ogo

Reviewed for Legal Sufficiency by:

/s/ Joseph M. Hallahan
House Legal Counsel

Date: 3/4/2025

Reviewed HB 24-8, HD1 for Legal Sufficiency by:

/s/ Joseph M. Hallahan
House Legal Counsel

Date: 4/24/2025