

David M. Apatang  
Governor



GOV. COMM. 24-121  
(HOUSE)

Dennis James C. Mendiola  
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
**OFFICE OF THE GOVERNOR**

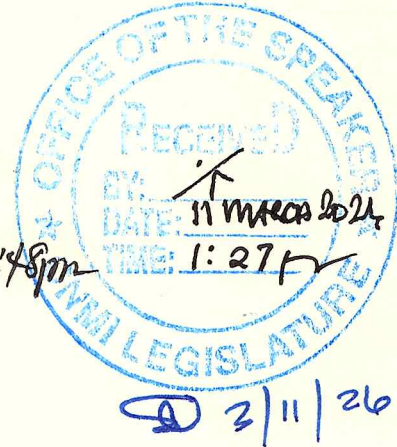
March 11, 2026

GOV2026-148

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

The Honorable Karl R. King-Nabors  
President  
The Senate; Twenty-Fourth Northern  
Marianas Commonwealth Legislature  
Saipan, MP 96950

TO THE CLERK'S OFFICE  
RECEIVED  
3/11/2026 TIME: 2:48pm



Dear Mr. Speaker and Mr. President:

This is to inform you that I have vetoed **House Bill No. 24-33**, entitled “To statutorily define the scope of the Commonwealth’s annual General Revenues within the meaning of Article XV, Section 1(e) of the NMI Constitution,” which was passed by the Twenty-Fourth Northern Marianas Commonwealth Legislature.

This bill seeks to define how the Public School System (PSS) is funded under the constitutional requirement that it receive no less than twenty-five percent (25%) of the Commonwealth’s general revenues through an annual appropriation bill. The bill defines general revenue as “all budgetary resources legally available for appropriation in a given fiscal year, less those revenues defined as Special Revenues in this Chapter and less debt service and mandatory payments to the NMI Settlement Fund under the Settlement Agreement.” H.B. 24-33, p. 5, lines 18-21.

On the advice of the Attorney General, I must respectfully veto this Bill as unconstitutional.

“The public elementary and secondary education system shall be guaranteed an annual budget of not less than twenty- five percent of the general revenues of the Commonwealth through an annual appropriation.” NMI CONST. art. XV, § 1(e) (emphasis added). The inclusion of debt service and mandatory payments in H.B. 24-33’s definition of “general revenues” unlawfully contradicts the meaning of that term in the Constitution under the CNMI Supreme Court’s jurisprudence.

In 2020, through a certified question submitted by PSS and then-Governor Ralph Torres, the Supreme Court held that CNMI incoming funds for appropriation, i.e., revenue, comprises two subcategories, namely general revenue and special revenue. Revenue means all funds available for

appropriation; general revenue means all revenue minus special revenue; special revenue (or earmarked funds) means funds dedicated to a particular purpose and placed into a separate fund, provided that there be a nexus between the origin and purpose of the funds. *In the Matter of a Petition for Certified Question*, 2020 MP 2 ¶¶ 16–31.

Only special revenue may be excluded from application to the 25% minimum required for the PSS budget. And special revenue acquired for a particular purpose must satisfy the requirement of a nexus between the revenue source and the purpose for its appropriation. Finally, if the Legislature suspends an earmarked fund, then the special funds become general revenue. *Id.* ¶¶ 35–38.

H.B. 24-33 ignores the definition of general revenues established by the Supreme Court by subtracting “debt service and mandatory payments to the Settlement Fund” from the pot. The legislative addition of language regarding debt and mandatory payments contradicts the established meaning of general revenues and defies the plain and common understanding of debt and mandatory payments.

Revenue is incoming money acquired by government through various means (e.g., taxation, fees). Debt and mandatory payments is outgoing money paid by appropriation of revenue for ongoing established costs. Nothing in the CNMI Constitution or the Supreme Court decision described above suggests that debt and mandatory payments may be subtracted when determining what constitutes the pot of general revenue to calculate the 25% floor applied to the PSS budget. In short, H.B. 24-33 misapplies the constitutional meaning of general revenue and unconstitutionally deprives PSS of its constitutionally established minimum budget.

By attempting to re-define a constitutional term (“general revenues”), the Legislature has attempted to supersede the decision of the CNMI Supreme Court submitted as a certified legal question. *See* NMI CONST. art. IV, § 11. The CNMI Supreme Court has the final word on the meaning of CNMI law, including the NMI Constitution. *Id.* art. IV, §§ 1, 3; *Syed v. Mobil Oil Mariana Islands*, 2012 MP 20 ¶ 11 (“It is the province and duty of this Court alone to definitively decide questions of Commonwealth law . . .”).

If the Legislature wishes to revise the constitutional floor guaranteed to PSS’s budget, the proper procedure would be a Legislative Initiative to put the issue on the ballot for the electorate, as was done in 2014 when the floor was raised from 15% to the current 25%. *See* House Legislative Initiative 18-12.

I respectfully exercise my constitutional authority to veto this Bill.

Sincerely,



**DAVID M. APATANG**  
Governor

cc: Lieutenant Governor; Attorney General; Commonwealth Law Revision;  
Chairperson, Board of Education; Commissioner, PSS  
Special Assistant for Administration; Programs and Legislative Review



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

THIRD SPECIAL SESSION

JUNE 20, 2025

REPRESENTATIVE ROMAN C. BENAVENTE OF SAIPAN, PRECINCT 1 (*for himself*, Representatives Angelo A. Camacho, Blas Jonathan “BJ” T. Attao, Joseph A. Flores, Marissa R. Flores, Thomas J. DiC. Manglona, Julie M. A. Ogo, John Paul P. Sablan, Patrick H. San Nicolas, Denita Kaipat Yangetmai, and Ralph N. Yumul) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

**H. B. No. 24-33**

**AN ACT**

**TO STATUTORILY DEFINE THE SCOPE OF THE COMMONWEALTH’S ANNUAL GENERAL REVENUES WITHIN THE MEANING OF ARTICLE XV, SECTION 1(E) OF THE NMI CONSTITUTION.**

**IN THE HOUSE OF REPRESENTATIVES**

The Bill was referred to the House Committee on Education, which submitted Standing Committee Report 24-37; adopted 10/9/2025.

**THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON FIRST AND FINAL READING, NOVEMBER 6, 2025;**  
*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 24-58; adopted 2/26/2026.

**THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, FEBRUARY 26, 2026;**  
*without amendments* and returned to **THE HOUSE OF REPRESENTATIVES.**

**H. B. NO. 24-33 IS DULY PASSED BY THE TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE.**

  
\_\_\_\_\_  
Linda B. Muña, House Clerk



TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE  
**IN THE HOUSE OF REPRESENTATIVES**

SEVENTH DAY, SECOND REGULAR SESSION  
NOVEMBER 6, 2025

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**H. B. No. 24-33**

**AN ACT**

TO STATUTORILY DEFINE THE SCOPE OF THE  
COMMONWEALTH'S ANNUAL GENERAL REVENUES  
WITHIN THE MEANING OF ARTICLE XV, SECTION 1(E)  
OF THE NMI CONSTITUTION.

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

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

2           The CNMI Constitution mandates that the Public School System (PSS)  
3 receive an annual budget of no less than 25% of the Commonwealth's General  
4 Revenues. Article XV, Section 1(e) states in relevant part, "[t]he public  
5 elementary and secondary education system shall be guaranteed an annual  
6 budget of not less than twenty-five percent of the general revenues of the  
7 Commonwealth through an annual appropriation." This constitutional guarantee  
8 ensures two key principles: (1) a defined annual budget, allowing for consistent  
9 yearly planning rather than uncertain quarterly appropriations; and (2) a fixed  
10 minimum percentage allocation, ensuring PSS receives a portion of the  
11 Commonwealth's available revenue. However, the precise definition of "General

1 Revenues" has been a subject of ongoing debate. This Act clarifies what  
2 constitutes General Revenues and, just as importantly, what does not.

3 **Defining General Revenues as a Subset of Total Resources**

4 As a preliminary matter, General Revenues are defined as a subset of Total  
5 Resources, a broader category used in the Governor's annual budget proposals  
6 and House Concurrent Resolutions. While Total Resources include all CNMI  
7 revenues, General Revenues refer only to funds available for discretionary  
8 appropriation.

9 In Fiscal Year 2024, Total Resources were reported as \$158 million in the  
10 Governor's budget proposal and House Concurrent Resolution. However, this  
11 figure included restricted funds such as earmarked special revenues that are not  
12 freely available for appropriation.

13 To implement Article XV effectively, General Revenues must be clearly  
14 defined. This prevents misunderstandings, legal disputes, and unintended  
15 constitutional changes. Thus, this Act defines General Revenues as equivalent to  
16 "Total Resources Available for Appropriation," the portion of Total Resources not  
17 defined as Special Resources, or earmarked, obligated, or restricted by law. Under  
18 the current law and prevailing constitutional interpretation of "General  
19 Revenues," PSS's minimum guaranteed annual budget would be approximately  
20 \$27 million or 25% of \$111 million.

21 **Earmarks and Transfers Out: Adjusting Total Resources**

22 To determine General Revenues each year, subtract the total earmarks and  
23 transfers out from the projected Total Resources. For Fiscal Year 2025, with Total  
24 Resources at \$158 million and earmarks and transfers out totaling \$47 million,  
25 the General Revenue base is \$111 million.

26 While the budgetary amounts vary year to year, for FY 2025, the breakdown  
27 of \$47,140,263 in earmarks and transfers out includes:

- 28 • Marianas Visitors Authority (MVA) - Hotel Occupancy Tax (80%) –  
29 (\$4,412,374)

1 • Debt Service Obligations:

- 2 ○ 2007 A Refunding Bond Payment – (\$3,618,500)
- 3 ○ 2007 B Refunding Bond Payment – (\$3,391,750)
- 4 ○ Settlement Fund Bond Payment (PL 20-33) – (\$32,000,000)
- 5 ○ 2020 Pension Obligation Note Payment – (\$2,886,600)
- 6 ○ MPLT 2019 Loan Payment – (\$831,039)

7 **Why General Revenues Cannot Equate to Gross Revenues**

8 General Revenues are not synonymous with Gross Revenues or Total  
9 Resources. If General Revenues included all \$158 million of Commonwealth  
10 revenues, it would:

- 11 • Create an inflated budget base for PSS, potentially diverting funds from  
12 critical public services such as healthcare, public safety, and infrastructure.
- 13 • Strain the government’s ability to maintain a balanced budget that ensures  
14 adequate funding across all sectors.

15 Without deducting any financial obligations, \$158 million in “General  
16 Revenues” would result in a minimum PSS annual budget of approximately \$39  
17 million. The difference between 25% of gross revenues and 25% of revenues net  
18 of earmarks, obligatory Settlement Fund payments, and debt service is  
19 approximately \$12 million dollars—or roughly one million dollars per month each  
20 fiscal year.

21 **Legal and Fiscal Justifications for This Definition**

22 In 2020, the CNMI Supreme Court issued an opinion that clearly supports  
23 the Legislature’s interpretation of Article XV that General Revenues must  
24 exclude restricted and earmarked funds. The Court held, *In the Matter of a*  
25 *Petition for Certified Question*, 2020 MP 2, that,

26 First, general and special revenue fall under the broader category of  
27 revenue, thereby precluding general revenue from meaning all revenue.  
28 Second, special revenue includes those revenues generated for a particular

1 purpose which is related to the revenue’s source. All revenues not designated  
2 as special under this standard are general revenues in which PSS is entitled  
3 twenty-five percent. *Id.* at ¶ 2.

4 Consistent with the Supreme Court opinion, the CNMI Attorney General  
5 stated, “General Revenues refer only to revenues deposited into the General Fund  
6 and do not include special revenues earmarked for designated purposes.” (CNMI  
7 AG Legal Opinion, March 15, 2021) The AG Opinion also stated,

8 Limiting General Revenues to discretionary funds ensures financial  
9 integrity and preserves the government’s ability to fund essential public  
10 services. Including earmarked funds in General Revenues would create a  
11 structural imbalance, forcing the redirection of funds meant for legally  
12 mandated programs.

13 **Ensuring Fiscal Responsibility and Fairness**

14 The Legislature notes the volatility of the CNMI Constitution with respect  
15 to this issue. In 1985, ten years after the original Constitution was enacted  
16 without a guarantee with respect to education financing, it was amended to  
17 include a 15 percent guaranteed budgetary floor for public education. In 1995,  
18 the very next opportunity to address the CNMI Constitution, members of the  
19 Third Constitutional Convention suggested removing Section 1(e) in its entirety,  
20 reporting that the Judiciary Committee:

21 does not believe that earmarking has produced a higher quality of  
22 education over the past 10 years. The school system should have to justify  
23 its budget to the legislature just like any other agency. There are competing  
24 interests such as the health care system . . . . Earmarking revenues  
25 introduces an inflexibility into the system that may prevent the legislature  
26 from making the best choices in the interest of all the people.”

1           Committee Report No. 5 at 15, Committee on Judiciary and Other Elected  
2 Offices (July 18, 1995).

3           This Act avoids unpredictable courses of action, be it in the courts or in the  
4 ballot box that may adversely affect PSS, by statutorily establishing clear  
5 definitions. This will ensure greater budgetary transparency, reduce the risk of  
6 legal disputes that can lead to unintended consequences, and uphold the  
7 commitment to a well-funded and sustainable Public School System.

8           **SECTION 2. ENACTMENT.**

9           A new Chapter 8, titled, “CNMI Constitution Art. XV Definitions.” is added  
10 to Title 1, Division 7, “Planning, Budgeting, and Auditing,” of the Commonwealth  
11 Code that provides as follows:

12                   **“CNMI Constitution Art. XV Definitions.**

13                   **§ 101. General Revenues.**

14           Notwithstanding any CNMI law, regulation, or rule to the contrary, for  
15 the purposes of this Title, and in any context involving the mandatory  
16 appropriation of revenues for public education, the term General Revenues  
17 refers to Commonwealth revenue available for appropriation, which  
18 includes all budgetary resources legally available for appropriation in a  
19 given fiscal year, less those revenues defined as Special Revenues in this  
20 Chapter and less debt service and mandatory payments to the NMI  
21 Settlement Fund under the Settlement Agreement.

22                   **§ 102. Special Revenues**

23           Notwithstanding any CNMI law, regulation, or rule to the contrary, for  
24 the purposes of this Title, and in any context involving the mandatory  
25 appropriation of revenues for public education, the term Special Revenues  
26 refers to any revenue that meets all of the following criteria:

- 27                   (1) The revenue is derived from a constitutionally or statutorily  
28 identified source;

1 (2) It is deposited into an account separate from the General Fund;  
2 and

3 (3) It is earmarked or dedicated to a specific constitutionally or  
4 statutorily defined purpose.

5 **§ 103. Annual Budget**

6 Notwithstanding any CNMI law, regulation, or rule to the contrary, for  
7 the purposes of this Chapter, and in any context involving the mandatory  
8 appropriation of revenues for public education, the term “Annual Budget”  
9 refers to the financial plan approved by the Legislature for a specific fiscal  
10 year, which includes the appropriation of no less than 25% of General  
11 Revenues to the Public School System, as required by Article XV, Section  
12 1(e) of the CNMI Constitution and consistent with sections 101 and 102 of  
13 this Chapter.”

14 **SECTION 3. SEVERABILITY.**

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

20 **SECTION 4. SAVINGS CLAUSE.**

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


1           **SECTION 5. EFFECTIVE DATE.**

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

Attested to by: \_\_\_\_\_

  
**Linda B. Muña, House Clerk**

Certified by: \_\_\_\_\_

  
**SPEAKER EDMUND S. VILLAGOMEZ**  
House of Representatives  
24<sup>th</sup> Northern Marianas Commonwealth Legislature

*Disapproved* this 11<sup>th</sup> day of March, 2026

\_\_\_\_\_  
**DAVID M. APATANG**  
Governor

Commonwealth of the Northern Mariana Islands