GOV. COMM: 24-163
(HOUSE)

David M. Apatang
Governor

Dennis James C. Mendiola
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

July 15, 2026 **GOV2026-446**

OFFICE OF THE SPEAKER
RECEIVED
BY:
DATE: 7/15/26
TIME: 3:59 pm
CNMI LEGISLATURE

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

CLERK'S OFFICE
RECEIVED BY
DATE 7/16/2026 TIME 9:19 AM

Dear Mr. Speaker and Mr. President:

This is to inform you that I have vetoed **House Bill No. 24-89, HS1, SD1, CCS1,** entitled, "To appropriate $300,000.00 of the dividends collected by the Commonwealth Economic Development Authority (CEDA) from the Commonwealth Utilities Corporation (CUC) to fund Super Typhoon Sinlaku disaster relief operations and personnel in the Second Senatorial District.", which was passed by the House of Representatives and the Senate of the Twenty-Fourth Northern Marianas Commonwealth Legislature.

I applaud the intent of this bill to provide a funding source for disaster relief operations on the island of Tinian.

However, the Attorney General has advised that this appropriation would contravene the provisions of 4 CMC § 10508, and I must therefore respectfully exercise my constitutional authority to veto this Bill.

Public Law 5-37, codified at 4 CMC §§ 10501–08, created a trust account into which capital improvement funds paid to the Commonwealth by the federal government pursuant to Section 702(b) of the Covenant[1] were to be placed as security for bonds to be issued by the then-Commonwealth Development Authority ("CDA") to finance capital improvement projects.

[1] The Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, U.S. Pub. L. No. 94-241, codified at 48 U.S.C. § 1801 et seq.

In the course of these capital improvement projects, CDA issued several loans to the Commonwealth Utilities Corporation ("CUC") between 1988 and 1990 to finance water and sewer projects. CUC failed to repay the loan balance, and CDA sued.

The parties then settled the litigation out of court, and CDA agreed to waive the unpaid balance of the loan in return for being issued $45,000,000.00 of preferred stock conferring legal and beneficial ownership in CUC.

The May 2009 preferred stock agreement provided for a guaranteed fixed return of annual dividends worth 2% the aggregate value of the shares to be paid quarterly beginning October 1, 2012.

An Amended Memorandum of Agreement between CDA and CUC dated January 2004, five years before the Preferred Stock Agreement, states that dividends paid to CDA pursuant to the envisioned stock agreement would be "deposited into a revolving fund account for the financing of additional revenue-producing capital development projects," effectively continuing the policy of the P.L. 5-37 trust account for Covenant funds *sub rosa*.

In the intervening years, CUC has made regular payments of these dividends to the former CDA, now CEDA, the Commonwealth Economic Development Authority.

While these moneys have previously been appropriated by the Legislature for purposes unrelated to capital improvement projects,[2] the Attorney General has advised that 4 CMC § 10508's provision that "[l]oan agreement repayments made by an autonomous public agency shall be deposited only into the revolving fund for the financing of additional revenue and non-revenue producing capital improvement projects . . ." restricts the permissible uses of these funds.

The Attorney General additionally noted that no fund certification confirmed the availability of the dividend moneys.

Accordingly, I respectfully exercise my constitutional authority to veto this Bill.

Sincerely,

DAVID M. APATANG
Governor

cc: Lieutenant Governor; Attorney General; Commonwealth Law Revision Commission; Public Auditor; Secretary of Finance; Chairperson, CEDA; Executive Director, CEDA; Chairperson, CUC; Executive Director, CUC; Mayor of Tinian & Aguiguan; Tinian and Aguiguan Legislative Delegation; Special Assistant for Administration; Programs and Legislative Review

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2 *See, e.g.*, P.L. No. 23-18, appropriating CEDA dividend moneys to pay the retirees' 25% pension payments.

TWENTY-FOURTH NORTHERN MARIANA COMMONWEALTH LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

THIRD REGULAR SESSION

FEBRUARY 9, 2026

REPRESENTATIVE PATRICK H. SAN NICOLAS OF TINIAN, PRECINCT 6 (*for himself*) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H. B. No. 24-89, HS1, SD1, CCS1
AN ACT

TO APPROPRIATE $300,000.00 OF THE DIVIDENDS COLLECTED BY THE COMMONWEALTH ECONOMIC DEVELOPMENT AUTHORITY (CEDA) FROM THE COMMONWEALTH UTILITIES CORPORATION (CUC) TO FUND SUPER TYPHOON SINLAKU DISASTER RELIEF OPERATIONS AND PERSONNEL IN THE SECOND SENATORIAL DISTRICT.

IN THE HOUSE OF REPRESENTATIVES

The Bill was referred to the House Committee on Ways and Means, which submitted Standing Committee Report 24-51; adopted 3/18/2026.

THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON FIRST AND FINAL READING, MARCH 18, 2026; *with amendments* in the form of H. B. No. 24-89, HS1 and transmitted to **THE SENATE.**

IN THE SENATE

The Bill was not referred to a Senate Committee.
THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, MAY 1, 2026; *with amendments* in the form of H. B. No. 24-89, HS1, SD1 and returned to **THE HOUSE OF REPRESENTATIVES.**

The House of Representatives rejected the Senate amendments and the Bill was sent to Conference, which submitted Conference Committee Report 24-3.

H. B. NO. 24-89, HS1, SD1, CCS1 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

FIRST DAY, THIRD SPECIAL SESSION

JUNE 18, 2026

H. B. NO. 24-89, HS1, SD1, CCS1

AN ACT

TO APPROPRIATE $300,000.00 OF THE DIVIDENDS COLLECTED BY THE COMMONWEALTH ECONOMIC DEVELOPMENT AUTHORITY (CEDA) FROM THE COMMONWEALTH UTILITIES CORPORATION (CUC) TO FUND SUPER TYPHOON SINLAKU DISASTER RELIEF OPERATIONS AND PERSONNEL IN THE SECOND SENATORIAL DISTRICT.

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

SECTION 1. FINDINGS AND PURPOSE.

The Legislature finds that the Second Senatorial District requires additional funding for Super Typhoon Sinlaku disaster relief operations and personnel in the Second Senatorial District.

Therefore, the purpose of this Act is to appropriate dividends collected by the Commonwealth Economic Development Authority (CEDA) from the Commonwealth Utilities Corporation (CUC) to fund for Super Typhoon Sinlaku disaster relief operations and personnel within the Second Senatorial District.

SECTION 2. APPROPRIATION.

"Notwithstanding any provision(s) of law, statutes, rules, or regulations to the contrary and pursuant to 4 CMC § 10508 to appropriate dividends collected by CEDA from CUC, the Legislature hereby appropriates $300,000.00 of the dividends collected by CEDA from CUC for the Second Senatorial District to fund Super Typhoon Sinlaku disaster relief operations and personnel."

SECTION 3. FUND TRANSFER.

The Funds appropriated under this Act shall be transferred within a reasonable time by the Commonwealth Economic Development Authority to the Tinian and Aguiguan Municipal Treasury upon this Act becoming law.

SECTION 4. REPROGRAMMING.

Funds appropriated under this Act shall not be reprogrammed for any other purpose unless the reprogramming is approved by resolution by the Tinian and Aguiguan Legislative Delegation, and notwithstanding any provision of law, all funds appropriated under this Act shall be without fiscal year limitation.

SECTION 5. EXPENDITURE AUTHORITY.

The expenditure authority of the funds allocated under Section 2 of this Act shall be the Mayor of Tinian. Furthermore, the Mayor of Tinian shall be responsible for reporting all expenses to the Commonwealth Economic Development Authority upon the exhaustion of the funds appropriated under this Act.

SECTION 6. SEVERABILITY.

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

SECTION 7. SAVINGS CLAUSE.

This Act and any repealer contained herein shall not be construed as

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

SECTION 8. EFFECTIVE DATE.

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

Attested to by: _____
Linda B. Muña, House Clerk

Certified by: _____
ACTING SPEAKER DIEGO V. F. CAMACHO
House of Representatives
24th Northern Marianas Commonwealth Legislature

Disapproved this 17th day of July, 2026

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DAVID M. APATANG
Governor
Commonwealth of the Northern Mariana Islands