



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

SEN. COMM. 24-121
(HOUSE)

July 30, 2026

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

Dear Speaker Villagomez:

I have the honor of returning with amendment House Bill No. 24-107, HD1, entitled, "To authorize the Commonwealth Utilities Corporation to obtain emergency financing for utility restoration, stabilization, and fuel procurement in response to Super Typhoons Sinlaku and Bavi and related fuel supply disruptions; and for other purposes." The Senate passed on Final Reading H.B. No. 24-107, HD1, by the unanimous vote, in its 1st Day, Seventh Special Session on July 30, 2026, in the form of SD1.

Sincerely,

Valerie S. Aguon
Acting Senate Clerk

Attachment

Transmitted to HOUSE:

Received by: TR Date: 07-30-2024 Time: 10:55 PM

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

JULY 18, 2026

Fourth Special Session, 2026

H. B. 24-107 HD1, SD1

A BILL FOR AN ACT

To authorize the Commonwealth Utilities Corporation to obtain emergency financing for utility restoration, stabilization, and fuel procurement in response to Super Typhoons Sinlaku and Bavi and related fuel supply disruptions; and for other purposes.

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

1 **Section 1. Findings and Purpose.** The Legislature finds that Section
2 8123(e) of Title 4 of the Commonwealth Code authorizes the Commonwealth
3 Utilities Corporation (CUC) to borrow money and give security therefor, and
4 requires legislative approval by law for borrowing in excess of five hundred
5 thousand dollars.

6 The Legislature further finds that Super Typhoon Sinlaku and Super
7 Typhoon Bavi caused widespread damage to electric generation facilities,
8 transmission and distribution lines, transformers and poles, as well as water wells,
9 pumps, booster stations, tanks, treatment systems, wastewater lift stations,
10 collection systems, and related utility infrastructure throughout the
11 Commonwealth.

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1 The resulting outages and infrastructure damage have threatened public
2 health and safety, disrupted emergency services and communications, halted most
3 economic activity, closed schools and childcare facilities, and compromised
4 potable water and wastewater treatment to the point that boil-water notices and
5 emergency water stations are necessary.

6 After taking into account expected insurance proceeds, Federal Emergency
7 Management Agency (FEMA) assistance, federal grants, and other recovery
8 resources, CUC requires access to emergency financing not to exceed forty million
9 dollars (\$40,000,000) to finance urgent restoration, stabilization, repair,
10 replacement, and fuel procurement necessary to maintain reliable electric, water,
11 and wastewater services.

12 It is the purpose of this Act to authorize such borrowing on a temporary,
13 targeted basis; to establish safeguards, reporting, and oversight to protect ratepayers
14 and the public; to require that reimbursements from FEMA, insurance, federal
15 grants, or other recovery sources be applied to reduce outstanding principal where
16 permitted; and to allow recovery of reasonable financing costs through rates, fees,
17 charges, or surcharges, subject to regulatory review and limited to the period
18 necessary to repay the borrowing.

19 The Legislature finds that additional conditions are required to satisfy
20 potential lenders' risk assessments. The potential terms include the following:
21 substantial additional cash or cash-equivalent collateral, and full repayment

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1 guaranteed by the full faith and credit of the CNMI Government, tax exempt
2 interest.

3 To that end, this legislation authorizes additional sources to be used as
4 collateral for financing, which will enable CUC to pursue the loan, reduce the
5 required interest on the debt, and therefore reduce costs to ratepayers. CUC will be
6 authorized to use all security deposits other than residential security deposits, one
7 percent of its budget which would otherwise be withheld for the Office of the
8 Public Auditor, dividends paid by CUC to the Commonwealth Economic
9 Development Authority, and a surcharge on utility services provided to the
10 government. The purpose of this legislation is to give CUC the resources and tools
11 necessary to secure power, water, and sewer services for the Commonwealth.

12 **Section 2. Amendment.** Notwithstanding any law, statute, rules, or
13 regulations, Title 4, Division 8, Chapter 1, is hereby amended by adding a new
14 Article 12 to read as follows:

15 **“Article 12. Financing Authority.**

16 **§ 82103. Definitions.**

17 For purposes of this Act, the following definitions shall apply:

18 (a) “Financing authority” means a loan or line of credit or other
19 short-term financing arrangement (including multiple facilities in the
20 aggregate) providing ready access to funds, and does not by itself create a
21 permanent rate base obligation.

1 (b) "Authorized uses" means the purposes listed in Section 82104(a).

2 **§ 82104. Financing Authority Authorization.**

3 (a) Pursuant to this Act and 4 CMC § 8123(e), the Commonwealth
4 Utilities Corporation may obtain one or more financing options from public
5 or private lenders within the Commonwealth or the United States, and,
6 upon legislative notice as provided in Section 82106(c), from other
7 jurisdictions, in an aggregate principal amount not to exceed forty million
8 dollars (\$40,000,000).

9 (b) CUC shall draw on any financing options authorized by this Act
10 only to the extent reasonably necessary to fund the authorized uses set forth
11 in Section 82105(a), taking into account available insurance proceeds,
12 FEMA assistance, federal grants, disaster relief, mutual aid
13 reimbursements, and other recovery funds.

14 (c) CUC is authorized to pledge as security for any financing agreement
15 entered into pursuant to this Act any asset of the Corporation, including but
16 not limited to any receivable owed to CUC from any private or public
17 account or source. Furthermore, one hundred percent of government and
18 commercial security deposits, but none of residential security deposits,
19 may be pledged as security.

20 **§ 82105. Authorized Uses; Prohibited Uses.**

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1 (a) Authorized Uses. Funds borrowed pursuant to this Act shall be used
2 only for costs directly related to the restoration, stabilization, repair,
3 replacement, or continued operation of electric, water, and wastewater
4 utility services affected by Super Typhoon Sinlaku and Super Typhoon
5 Bavi, and for procurement of fuel necessary for utility operations,
6 reasonable financing costs associated with the financing authorized by this
7 Act (including origination and closing fees), and reasonable administrative
8 and project management costs directly attributable to implementing such
9 measures. Authorized uses may include, but are not limited to:

10 (1) Purchase of fuel necessary for power generation;

11 (2) Repair, replacement, or restoration of damaged power generation
12 facilities, transmission lines, distribution lines, transformers, poles,
13 substations, control systems, and related equipment;

14 (3) Repair, replacement, or restoration of water wells, pumps, booster
15 stations, tanks, treatment systems, and distribution infrastructure;

16 (4) Repair, replacement, or restoration of wastewater lift stations,
17 collection systems, treatment facilities, and related equipment;

18 (5) Procurement of emergency equipment, materials, supplies,
19 professional services, and contractor services necessary to restore or
20 maintain utility service;

1 (6) Temporary generation, temporary utility infrastructure, and
2 emergency operational measures necessary to protect public health and
3 safety; and

4 (7) Reasonable financing of credit origination costs, closing costs, and
5 other financing costs directly related to the financing authorized by this
6 Act.

7 **§ 82106. Legislative Notice; Oversight; Reporting; Public Availability;**
8 **Coordination.**

9 (a) Legislative Notice. Not less than ~~ten calendar days prior to~~ five
10 business days after closing on any financing option authorized by this Act,
11 CUC shall transmit to the presiding officers of both houses of the
12 Legislature, the chairpersons of the legislative committees with jurisdiction
13 over public utilities and fiscal affairs, and the Legislative Bureau a written
14 notice identifying:

15 (1) The lender or financing source and whether the lender is located
16 outside the Commonwealth or the United States and any special
17 conditions or risks associated with such financing;

18 (2) The principal amount of indebtedness to be accessed (and whether
19 this is part of an aggregate facility);

20 (3) The interest rate or method for calculating interest and any
21 applicable floor or cap;

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- 1 (4) The repayment term and amortization schedule;
- 2 (5) All origination fees, closing costs, and other financing charges;
- 3 (6) Whether any Commonwealth guarantee, pledge, or other public
- 4 obligation is being requested or implied;
- 5 (7) The anticipated source of repayment; and
- 6 (8) A summary of the intended uses of the approved financing
- 7 agreement.
- 8 (b) Quarterly Reports to the Legislature. Beginning thirty (30) days
- 9 after the first draw or disbursement of proceeds, and quarterly thereafter
- 10 until the indebtedness is fully repaid, CUC shall submit a written report to
- 11 the presiding officers of both houses of the Legislature, the chairpersons of
- 12 the legislative committees with jurisdiction over public utilities and fiscal
- 13 affairs, and the Legislative Bureau. Each report shall include:
- 14 (1) The total amount received to date;
- 15 (2) The total amount expended to date;
- 16 (3) The amount of principal interest paid during the reporting period;
- 17 (4) The current outstanding principal balance;
- 18 (5) A list of expenditures made with the financial proceeds during the
- 19 reporting period, including vendor names, payment amounts, payment
- 20 dates, and general description of goods or services provided; such lists

1 may be submitted in an electronic spreadsheet or other standardized
2 format;

3 (6) A description of the utility restoration, stabilization, or fuel-related
4 purpose served by each major expenditure;

5 (7) The status of any pledged collateral or security;

6 (8) The amount of any rate, fee, charge, surcharge, or other customer
7 recovery mechanism used to repay the indebtedness;

8 (9) The amount collected from customers for the indebtedness
9 repayment during the reporting period;

10 (10) The status of any FEMA, insurance, federal, or other
11 reimbursement; and

12 (11) Any material change in repayment terms, collateral, lender
13 requirements, or anticipated total cost of using the financing.

14 (c) Public Availability. Reports required under this section shall be
15 public records and shall be posted on CUC's website not later than five
16 business days after submission to the Legislature, except that confidential
17 banking information, account numbers, protected customer information,
18 and security-sensitive infrastructure information may be redacted. CUC
19 shall also provide plain-language explanations of any temporary financing
20 surcharges on customer bills and on its website, including the purpose of
21 the surcharge and its anticipated duration.

1 (d) FEMA, Insurance, and Reimbursement Offset. To the extent that
2 expenditures paid from the financing are later reimbursed by FEMA,
3 insurance proceeds, federal grants, disaster assistance, mutual aid
4 reimbursements, or other recovery funds, such reimbursements shall be
5 applied first to reduce the outstanding principal balance of the loan or line
6 of credit, unless otherwise prohibited by federal law, grant condition,
7 insurance requirement, or the terms of the financing agreement.

8 (e) Federal and Other Recovery Funds. CUC shall make reasonable
9 efforts to seek and secure FEMA assistance, insurance proceeds, federal
10 grants, disaster assistance, mutual aid reimbursements, and other recovery
11 funds to minimize reliance on the financing authorized by this Act, and
12 shall report on such efforts and receipts in its quarterly reports under
13 subsection (b).

14 (f) Independent Audit. Expenditure of financing proceeds authorized
15 by this Act shall be subject to independent audit. CUC shall include the use
16 of financing proceeds, repayment activity, and customer recovery amounts
17 in its annual independent audit. The Legislature or the Public Auditor may
18 request a separate audit or review by an independent certified public
19 accountant if necessary to verify compliance with this Act.

20 **§ 82107. Rate Recovery; Regulatory Review.**

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1 (a) CUC may include reasonable financing costs (including origination
2 and other fees, principal, and interest) in rates, fees, charges, or temporary
3 surcharges billed to customers until such costs are fully recouped; provided
4 that such recovery shall be temporary, shall sunset upon full repayment of
5 the obligation, and shall remain subject to applicable law and regulatory
6 review by the Commonwealth Public Utilities Commission unless the
7 Legislature expressly establishes an alternative temporary recovery
8 mechanism.

9 (b) Any surcharge, rate change, or recovery mechanism implemented to
10 repay financed amounts shall be presented in clear, plain language on
11 customer bills and on CUC's website, including an explanation of purpose
12 and anticipated duration.

13 **§ 82108. Material Modifications.**

14 Any material modification to the loan or line of credit principal amount,
15 repayment term, interest rate structure, collateral, security, or repayment source
16 after closing, including any refinancing or restructuring that extends the repayment
17 term by more than three years or increases the anticipated total interest cost by more
18 than ten percent, shall be reported to the Legislature not later than five business
19 days after such modification.

20 **§ 82109. Expiration of Borrowing Authority.**

1 The authority to enter into any new line of credit or to increase the principal
2 amount of an existing line of credit under this Act shall expire thirty-six (36)
3 months after the effective date of this Act. The expiration of the borrowing
4 authority shall not affect the validity of any obligation lawfully executed before that
5 date or CUC's obligation to repay such loan according to its terms.

6 **§ 82110. ~~No Commonwealth General Obligation.~~ Guarantee Pledged:**
7 **Full Faith and Credit.**

8 The Commonwealth Government hereby fully, absolutely and
9 unconditionally guarantees, underwrites and secures all payments due to the lenders
10 under the terms and conditions of the financing agreements entered into pursuant
11 to this Act. Such financing agreements are accepted as a general obligation of the
12 Commonwealth government and its full repayment is hereby guaranteed by the full
13 faith and credit of the Commonwealth government. ~~Nothing in this Act shall be~~
14 ~~construed to pledge the full faith and credit, taxing power, or general revenues of~~
15 ~~the Commonwealth for repayment of any borrowing authorized by this Act, unless~~
16 ~~expressly authorized by a separate Act of the Legislature.~~

17 **§ 82111. No Waiver of Regulatory Authority.**

18 Nothing in this Act shall be construed to waive, repeal, or limit the lawful
19 authority of the Commonwealth Public Utilities Commission, except to the extent
20 expressly provided in this Act.

21 **§ 82112. Interest Earned Tax Free.**

1 (a) All interest earned pursuant to this article and the income therefrom
2 shall be exempt from all taxation by the Commonwealth or any political subdivision
3 thereof.

4 **§ 82113. Waiver of Sovereign Immunity.**

5 Notwithstanding any substantive or procedural provision of law to the
6 contrary, the Commonwealth of the Northern Mariana Islands hereby waives
7 immunity from any suit or action in contract upon the loan and guaranty, but does
8 not waive sovereign immunity as to the personal liability of elected or appointed
9 officials and employees of the Commonwealth government or CUC.

10 **§ 82114. Attorney General Opinion.**

11 The Attorney General is authorized to issue an Opinion determining the
12 legality under Commonwealth law of any financing agreement entered into
13 pursuant to this act if requested by CUC.

14 **§ 82115. Public Auditor Fee.**

15 The Commonwealth Utilities Corporation (CUC) shall be exempt from the
16 withholding and payment requirements of subsections (a) and (b) of 1 CMC § 7831;
17 provided that one percent of the budget appropriated to CUC shall be used
18 exclusively for the purchase of new power generators for the First, Second, and
19 Third Senatorial Districts and shall not be reprogrammed for any other purpose.
20 CUC shall establish or maintain a Generators Purchase Account into which funds
21 realized by operation of this section shall be deposited. These funds shall not be

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1 commingled with other CUC accounts, unless such funds are specifically
2 earmarked for purchase of generators. Funds in the Generators Purchase Account
3 shall be used solely for the purposes of this section and shall be available to serve
4 as collateral for any loan necessary for typhoon recovery. The Executive Director
5 of CUC shall be the expenditure authority for funds deposited into the Generators
6 Purchase Account and such funds shall be available without fiscal year limitation
7 or further appropriation. All claimed arrears of any kind whatsoever owed by the
8 Commonwealth Utilities Corporation (CUC) for any claimed violation of the
9 withholding and payment requirements of subsections (a) and (b) of 1 CMC § 7831,
10 as of the effective date of this Act, are hereby deemed satisfied in full. The
11 Department of Finance and Office of the Public Auditor shall immediately remove
12 the above-referenced obligations from their respective receivables ledger and
13 financial statements in a manner consistent with applicable audit standards.

14 **§ 82116. CEDA Dividends.**

15 (a) Notwithstanding any provision(s) of law, statutes, rules or
16 regulations to the contrary and pursuant to the authority to appropriate
17 dividends collected by the Commonwealth Economic Development
18 Authority (CEDA) from CUC, the Legislature hereby appropriates 100%
19 of the dividends collected by CEDA from CUC each year for the duration
20 of the Dividend Appropriation Period for the purchase of new power
21 generation equipment in the First, Second, and Third Senatorial Districts.

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1 (b) Use of appropriated funds. The money appropriated to CUC
2 pursuant to this Act will be used by CUC exclusively for the purchase of
3 new power generation equipment for the First, Second and Third Senatorial
4 Districts and shall not be reprogrammed for any other purpose, but shall be
5 available to serve as collateral for any loan necessary for typhoon recovery.
6 CUC shall deposit funds into a Generators Purchase Account established
7 or maintained for the purposes of this section. These funds shall not be
8 commingled with other CUC accounts, unless such funds are specifically
9 earmarked for the purchase of generators. The Executive Director of CUC
10 shall be the expenditure authority for funds deposited into the Generators
11 Purchase Account and such funds shall be available without fiscal year
12 limitations or further appropriation.

13 (c) Dividend Appropriation Period Defined. The Dividend Loan
14 Period shall commence seven (7) days after the Effective Date of this Act
15 and shall end fifteen (15) years from the date of commencement of the
16 Dividend Loan Period.

17 **§ 82117. Establishment of government surcharge.**

18 There is hereby established a surcharge on the services provided to the
19 government by CUC, to be paid to CUC in addition to any other fee, rate, tariff of
20 any other kind. This surcharge shall be used to pay the interest, loan origination
21 costs, closing costs, and any other non-principal cost arising from any loan or line

1 of credit entered into pursuant to this Act. This surcharge shall immediately cease
2 when the loans and lines of credit have been repaid. The CUC Board of Directors
3 shall set and amend the amount of the surcharge when the loans or lines of credit
4 have been established. The Board may amend the surcharge as necessary to avoid
5 overcollections or under-collections. The surcharge established or amended by the
6 Board pursuant to this Act may not be amended in any way or terminated by the
7 Commonwealth Public Utilities Commission.”

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

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

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

HOUSE BILL 24-107 HD1, SD1

Prefiled: 7/17/2026

Date: 7/17/2026

Introduced by: /s/ Rep. Ralph N. Yumul
/s/ Rep. Blas Jonathan "BJ" T. Attao
/s/ Rep. Marissa R. Flores
/s/ Rep. Edmund S. Villagomez
/s/ Rep. Roy C.A. Ada
/s/ Rep. Vincent R. Aldan
/s/ Rep. Daniel I. Aquino Jr.
/s/ Rep. Roman C. Benavente
/s/ Rep. Angelo A. Camacho
/s/ Rep. Diego V. F. Camacho
/s/ Rep. Joel C. Camacho
/s/ Rep. Joseph A. Flores
/s/ Rep. Thomas J. DLC. Manglona
/s/ Rep. Julie M.A. Ogo
/s/ Rep. Malcolm J. Omar
/s/ Rep. Raymond U. Palacios
/s/ Rep. Elias J.M. Rangamar
/s/ Rep. John Paul P. Sablan
/s/ Rep. Patrick H. San Nicolas
/s/ Rep. Denita Kaipat Yangetmai

Reviewed for legal sufficiency by:
/s/ Karie Comstock
House Legal Counsel

Date: 7/17/2026



Hse. Comm. No. 24-160

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

Vice-Speaker Jesus P. Mañas Memorial Building
Capitol Hill
Saipan, MP 96950
cnmileg.net

July 18, 2026

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

Dear Senate President King-Nabors:

I have the honor of transmitting herewith for Senate *action* **H. B. No. 24-107, HD1**, entitled, **"To authorize the Commonwealth Utilities Corporation to obtain emergency financing for utility restoration, stabilization, and fuel procurement in response to Super Typhoons Sinlaku and Bavi and related fuel supply disruptions; and for other purposes."** which was passed by the House of Representatives on First and Final Reading by the unanimous affirmative vote of all twenty (20) members of the House, thereby satisfying the required affirmative vote of two-thirds of the members of the House, during its First Day, Fourth Special Session, on July 18, 2026.

Sincerely yours,

Linda B. Muña, MPA
House Clerk

Attachment

TRANSMITTAL TO THE SENATE

Received by: 781gwn

Date: 7/18/26

Time: 5:52pm

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

JULY 18, 2026

Fourth Special Session, 2026

H. B. 24-107, HD1

A BILL FOR AN ACT

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**BE IT ENACTED BY THE 24TH NORTHERN MARIANAS
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2 8123(e) of Title 4 of the Commonwealth Code authorizes the Commonwealth
3 Utilities Corporation (CUC) to borrow money and give security therefor, and
4 requires legislative approval by law for borrowing in excess of five hundred
5 thousand dollars.

6 The Legislature further finds that Super Typhoon Sinlaku and Super
7 Typhoon Bavi caused widespread damage to electric generation facilities,
8 transmission and distribution lines, transformers and poles, as well as water wells,
9 pumps, booster stations, tanks, treatment systems, wastewater lift stations,
10 collection systems, and related utility infrastructure throughout the
11 Commonwealth.

1 The resulting outages and infrastructure damage have threatened public
2 health and safety, disrupted emergency services and communications, halted most
3 economic activity, closed schools and childcare facilities, and compromised
4 potable water and wastewater treatment to the point that boil-water notices and
5 emergency water stations are necessary.

6 After taking into account expected insurance proceeds, Federal Emergency
7 Management Agency (FEMA) assistance, federal grants, and other recovery
8 resources, CUC requires access to emergency financing not to exceed forty million
9 dollars (\$40,000,000) to finance urgent restoration, stabilization, repair,
10 replacement, and fuel procurement necessary to maintain reliable electric, water,
11 and wastewater services.

12 It is the purpose of this Act to authorize such borrowing on a temporary,
13 targeted basis; to establish safeguards, reporting, and oversight to protect ratepayers
14 and the public; to require that reimbursements from FEMA, insurance, federal
15 grants, or other recovery sources be applied to reduce outstanding principal where
16 permitted; and to allow recovery of reasonable financing costs through rates, fees,
17 charges, or surcharges, subject to regulatory review and limited to the period
18 necessary to repay the borrowing.

19 **Section 2. Amendment.** Notwithstanding any law, statute, rules, or
20 regulations, Title 4, Division 8, Chapter 1, is hereby amended by adding a new
21 Article 12 to read as follows:

1 **“Article 12. Financing Authority.**

2 **§ 82103. Definitions.**

3 For purposes of this Act, the following definitions shall apply:

4 (a) “Financing authority” means a loan or line of credit or other
5 short-term financing arrangement (including multiple facilities in the
6 aggregate) providing ready access to funds, and does not by itself create a
7 permanent rate base obligation.

8 (b) “Authorized uses” means the purposes listed in Section 82104(a).

9 **§ 82104. Financing Authority Authorization.**

10 (a) Pursuant to this Act and 4 CMC § 8123(e), the Commonwealth
11 Utilities Corporation may obtain one or more financing options from
12 public or private lenders within the Commonwealth or the United States,
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14 jurisdictions, in an aggregate principal amount not to exceed forty million
15 dollars (\$40,000,000).

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2 only for costs directly related to the restoration, stabilization, repair,
3 replacement, or continued operation of electric, water, and wastewater
4 utility services affected by Super Typhoon Sinlaku and Super Typhoon
5 Bavi, and for procurement of fuel necessary for utility operations,
6 reasonable financing costs associated with the financing authorized by this
7 Act (including origination and closing fees), and reasonable administrative
8 and project management costs directly attributable to implementing such
9 measures. Authorized uses may include, but are not limited to:

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11 (2) Repair, replacement, or restoration of damaged power generation
12 facilities, transmission lines, distribution lines, transformers, poles,
13 substations, control systems, and related equipment;

14 (3) Repair, replacement, or restoration of water wells, pumps, booster
15 stations, tanks, treatment systems, and distribution infrastructure;

16 (4) Repair, replacement, or restoration of wastewater lift stations,
17 collection systems, treatment facilities, and related equipment;

18 (5) Procurement of emergency equipment, materials, supplies,
19 professional services, and contractor services necessary to restore or
20 maintain utility service;

1 (6) Temporary generation, temporary utility infrastructure, and
2 emergency operational measures necessary to protect public health and
3 safety; and

4 (7) Reasonable financing of credit origination costs, closing costs, and
5 other financing costs directly related to the financing authorized by this
6 Act.

7 **§ 82106. Legislative Notice; Oversight; Reporting; Public Availability;**
8 **Coordination.**

9 (a) Legislative Notice. Not less than ten calendar days prior to closing
10 on any financing option authorized by this Act, CUC shall transmit to the
11 presiding officers of both houses of the Legislature, the chairpersons of the
12 legislative committees with jurisdiction over public utilities and fiscal
13 affairs, and the Legislative Bureau a written notice identifying:

14 (1) The lender or financing source and whether the lender is located
15 outside the Commonwealth or the United States and any special
16 conditions or risks associated with such financing;

17 (2) The principal amount of indebtedness to be accessed (and whether
18 this is part of an aggregate facility);

19 (3) The interest rate or method for calculating interest and any
20 applicable floor or cap;

21 (4) The repayment term and amortization schedule;

22 (5) All origination fees, closing costs, and other financing charges;

- 1 (6) Whether any Commonwealth guarantee, pledge, or other public
2 obligation is being requested or implied;
- 3 (7) The anticipated source of repayment; and
- 4 (8) A summary of the intended uses of the approved financing
5 agreement.
- 6 (b) Quarterly Reports to the Legislature. Beginning thirty (30) days
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10 the legislative committees with jurisdiction over public utilities and fiscal
11 affairs, and the Legislative Bureau. Each report shall include:
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17 reporting period, including vendor names, payment amounts,
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19 provided; such lists may be submitted in an electronic spreadsheet
20 or other standardized format;
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22 purpose served by each major expenditure;

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3 recovery mechanism used to repay the indebtedness;
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13 banking information, account numbers, protected customer information,
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17 the surcharge and its anticipated duration.
- 18 (d) FEMA, Insurance, and Reimbursement Offset. To the extent that
19 expenditures paid from the financing are later reimbursed by FEMA,
20 insurance proceeds, federal grants, disaster assistance, mutual aid
21 reimbursements, or other recovery funds, such reimbursements shall be
22 applied first to reduce the outstanding principal balance of the loan or line

1 of credit, unless otherwise prohibited by federal law, grant condition,
2 insurance requirement, or the terms of the financing agreement.

3 (e) Federal and Other Recovery Funds. CUC shall make reasonable
4 efforts to seek and secure FEMA assistance, insurance proceeds, federal
5 grants, disaster assistance, mutual aid reimbursements, and other recovery
6 funds to minimize reliance on the financing authorized by this Act, and
7 shall report on such efforts and receipts in its quarterly reports under
8 subsection (b).

9 (f) Independent Audit. Expenditure of financing proceeds authorized
10 by this Act shall be subject to independent audit. CUC shall include the use
11 of financing proceeds, repayment activity, and customer recovery amounts
12 in its annual independent audit. The Legislature or the Public Auditor may
13 request a separate audit or review by an independent certified public
14 accountant if necessary to verify compliance with this Act.

15 **§ 82107. Rate Recovery; Regulatory Review.**

16 (a) CUC may include reasonable financing costs (including origination
17 and other fees, principal, and interest) in rates, fees, charges, or temporary
18 surcharges billed to customers until such costs are fully recouped; provided
19 that such recovery shall be temporary, shall sunset upon full repayment of
20 the obligation, and shall remain subject to applicable law and regulatory
21 review by the Commonwealth Public Utilities Commission unless the

1 Legislature expressly establishes an alternative temporary recovery
2 mechanism.

3 (b) Any surcharge, rate change, or recovery mechanism implemented to
4 repay financed amounts shall be presented in clear, plain language on
5 customer bills and on CUC's website, including an explanation of purpose
6 and anticipated duration.

7 **§ 82108. Material Modificaitons.**

8 Any material modification to the loan or line of credit principal amount,
9 repayment term, interest rate structure, collateral, security, or repayment source
10 after closing, including any refinancing or restructuring that extends the repayment
11 term by more than three years or increases the anticipated total interest cost by more
12 than ten percent, shall be reported to the Legislature not later than five business
13 days after such modification.

14 **§ 82109. Expiration of Borrowing Authority.**

15 The authority to enter into any new line of credit or to increase the principal
16 amount of an existing line of credit under this Act shall expire thirty-six (36)
17 months after the effective date of this Act. The expiration of the borrowing
18 authority shall not affect the validity of any obligation lawfully executed before that
19 date or CUC's obligation to repay such loan according to its terms.

20 **§ 82110. No Commonwealth General Obligation.**

21 Nothing in this Act shall be construed to pledge the full faith and credit,
22 taxing power, or general revenues of the Commonwealth for repayment of any

1 borrowing authorized by this Act, unless expressly authorized by a separate Act of
2 the Legislature.

3 **§ 82111. No Waiver of Regulatory Authority.**

4 Nothing in this Act shall be construed to waive, repeal, or limit the lawful
5 authority of the Commonwealth Public Utilities Commission, except to the extent
6 expressly provided in this Act.”

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

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

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

Prefiled: 7/17/2026

HOUSE BILL 24-107, HD1

Date: 7/17/2026

Introduced by: /s/ Rep. Ralph N. Yumul
/s/ Rep. Blas Jonathan "BJ" T. Attao
/s/ Rep. Marissa R. Flores
/s/ Rep. Edmund S. Villagomez
/s/ Rep. Roy C.A. Ada
/s/ Rep. Vincent R. Aldan
/s/ Rep. Daniel I. Aquino Jr.
/s/ Rep. Roman C. Benavente
/s/ Rep. Angelo A. Camacho
/s/ Rep. Diego V. F. Camacho
/s/ Rep. Joel C. Camacho
/s/ Rep. Joseph A. Flores
/s/ Rep. Thomas J. DLC. Manglona
/s/ Rep. Julie M. A. Ogo
/s/ Rep. Malcolm J. Omar
/s/ Rep. Raymond U. Palacios
/s/ Rep. Elias J.M. Rangamar
/s/ Rep. John Paul P. Sablan
/s/ Rep. Patrick H. San Nicolas
/s/ Rep. Denita Kaipat Yangetmai

Reviewed for legal sufficiency by:

/s/ Karie Comstock
House Legal Counsel

Date: 7/17/2026