



HOUSE OF REPRESENTATIVES
TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE

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

HOUSE
FILE

September 10, 2025

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. 24-50, HS1**, entitled: **“To authorize a loan between the Commonwealth Government and the Marianas Public Land Trust in the amount of \$29,000,000 and authorize the Marianas Public Land Trust to withhold and retain net annual distributable income starting Fiscal Year 2026 for repayment and security of the loan.”**, which was passed by the House of Representatives on First and Final Reading, by the affirmative vote of two-thirds of the members present, a quorum being present, during its Third Day, Second Regular Session on September 9, 2025.

Sincerely yours,


Linda B. Muña, MPA
House Clerk

Attachment

TRANSMITTAL TO THE SENATE

Received by: 

Date: 9/10/25

Time: 8:05 am

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

AUGUST 15, 2025

Second Regular Session, 2025

H. B. 24-50, HS1

A BILL FOR AN ACT

To authorize a loan between the Commonwealth Government and the Marianas Public Land Trust in the amount of \$29,000,000 and authorize the Marianas Public Land Trust to withhold and retain net annual distributable income starting Fiscal Year 2026 for repayment and security of the loan.

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

1 **Section 1. Findings and Purpose.** The Legislature finds that a loan from the
2 Marianas Public Land Trust (“MPLT”) is required to meet the Minimum Annual
3 Payment to the Settlement Fund in light of the strain on the Commonwealth’s fiscal
4 resources imposed by the exhaustion of federal assistance and ongoing slow
5 recovery of tourism in the wake of the COVID-19 pandemic.
6 The Final Amended Agreement and Stipulation of Settlement in Johnson v.
7 Inos et al., 1:09-cv-00023 (D. N. Mar. I. Aug. 6, 2013), ECF No. 468-1 at 11,
8 requires the CNMI “to make minimum annual payments to the Settlement Fund
9 sufficient to enable the Settlement Fund to pay 75% of Class Members’ Full
10 Benefits each year for the Settlement Fund’s expected life as determined by an
11 independent actuary appointed by the Trustee and approved by the District Court.”

1 In accordance with Article X, Section 3 of the NMI Constitution, the
2 Legislature is authorizing a loan from the Marianas Public Land Trust to pay the
3 Minimum Annual Payment for Fiscal Year 2026 in the amount of \$29 million
4 (\$29,000,000.00) and with a simple interest rate of 7.5% calculated annually.

5 The Legislature pledges as security and earmarks for debt service until the
6 loan is redeemed the interest accrued on MPLT's trust proceeds and owed to the
7 Commonwealth pursuant to Article XI, Section 6(d) of the NMI Constitution. That
8 is, the Legislature authorizes MPLT to withhold transfer of accrued interest on the
9 trust proceeds until such time as the principal and interest loan balance is redeemed.

10 **Section 2. Enactment.** The following provision is hereby enacted:

11 "§ 101. Notwithstanding any provision of law to the contrary, the
12 Commonwealth Government, through the Governor and the Secretary of Finance,
13 is authorized to enter into an agreement with the Marianas Public Land Trust for a
14 loan in an amount not to exceed \$29,000,000 at an interest rate not to exceed 7.5 %
15 per annum simple interest on such terms as are mutually agreed upon by the
16 Marianas Public Land Trust and the Commonwealth Government.

17 § 102. Distributions into the Commonwealth General Fund of interest accrued
18 on the trust proceeds of the Marianas Public Land Trust for Fiscal Year 2026, and
19 for each fiscal year thereafter until such time as the loan described in the foregoing
20 section of this chapter is fully satisfied and retired, shall be appropriated to service
21 debt on the said loan.

1 § 103. The Secretary of Finance shall issue a quarterly summary “MPLT
2 Loan Report” which shall be a financial statement detailing the loan balance, the
3 interest accrued, list of expenses, drawdown breakdown, and any reductions due to
4 Marianas Public Land Trust withholding the interest distribution. This MPLT Loan
5 Report shall be submitted to the Governor, Lt. Governor, the presiding officers of
6 both houses of the Legislature, and the trustees of the Marianas Public Land Trust.
7 The Secretary of Finance shall further provide a drawdown payment list to each of
8 the above-enumerated entities prior to expending the funds.

9 § 104. Authorization to Defend, Hold Harmless, and Indemnify MPLT. The
10 Legislature hereby authorizes, as a condition precedent to the loan agreement being
11 authorized herein, the Commonwealth Government, through the Executive Branch
12 including the Secretary of Finance and Office of the Attorney General, to defend,
13 hold harmless, and indemnify the Trustees of the Marianas Public Land Trust,
14 individually and collectively, along with MPLT’s staff, counsel and consultants for
15 any suits, causes of action, litigation, and claims as well as any loss, liability, and
16 expense whatsoever of any kind or nature including but not limited to attorney’s
17 fees which may arise or that are in any way related to the loan agreement which is
18 the subject of this Act or the events arising therefrom as to MPLT’s actions in
19 extending this loan. The Commonwealth shall pay for the cost of representation
20 being authorized herein through the Department of Finance without cost to MPLT
21 or provide representation by the CNM Office of the Attorney General. In the event

1 MPLT is compelled to engage its own counsel or representation of the
2 Commonwealth, the Department of Finance shall reimburse MPLT for such costs
3 and expenses, MPLT may withhold further distributions of income until its
4 expenses and costs are fully reimbursed. The obligation to defend, indemnify and
5 hold harmless does not include any suits against MPLT or its Trustees for breach
6 of their fiduciary duty for prudent investments as set forth in Article XI, Section 6
7 of the CNMI Constitution, which MPLT shall defend and be responsible for at all
8 times.”

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

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

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

Prefiled: 8/12/2025

Date: _____ Introduced by: /s/ Rep. John Paul P. Sablan

Reviewed for legal sufficiency by:

/s/ Joseph L.G. Taijeron, Jr.
House Legal Counsel

Date: 8/12/2025

Reviewed as HS1 for legal sufficiency by:

/s/ Joseph L.G. Taijeron, Jr.
House Legal Counsel

Date: 8/29/2025



TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

HOUSE OF REPRESENTATIVES

COMMITTEE ON WAYS & MEANS

P.O. BOX 500586 SAIPAN, MP 96950

JOHN PAUL P. SABLAN
CHAIRMAN

Adapted - 8/29/2025

STANDING COMMITTEE REPORT NO. 24-27

DATE: August 19, 2025

RE: House Bill No. 24-50

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

Dear Mr. Speaker:

Your Committee on Ways and Means to which was referred:

House Bill No. 24-50: "To authorize a loan between the Commonwealth Government and the Marianas Public Land Trust in the amount of \$29,000,000 and authorize the Marianas Public Land Trust to withhold and retain net annual distributable income starting Fiscal Year 2026 for repayment and security of the loan."

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion, your Committee recommends that House Bill No. 24-50 be passed by the House in its current form.

TO THE CLERK'S OFFICE
RECEIVED BY *JAV*
DATE 8/26/2025
TIME 8:57AM

II. ANALYSIS:

A. Purpose:

The purpose of this Act is to authorize a loan between the Commonwealth Government and the Marianas Public Land Trust in the amount of \$29,000,000 and authorize the Marianas Public Land Trust to withhold and retain net annual distributable income starting Fiscal Year 2026 for repayment and security of the loan.

B. Committee Findings:

Your Committee finds that the Commonwealth's fiscal resources are being strained by the exhaustion of federal assistance and the ongoing slow recovery of tourism in the aftermath of the COVID-19 pandemic. Consequently, the Legislature has determined that a loan from the Marianas Public Land Trust ("MPLT") is necessary to address the Minimum Annual Payment to the Settlement Fund. Your Committee further finds that the Final Amended Agreement and Stipulation of Settlement in *Johnson v. Inos et al.*, 1:09-cv-00023 (D. N. Mar. I. Aug. 6, 2013), ECF No. 468-1 at 11, mandates that the CNMI "make minimum annual payments to the Settlement Fund sufficient to enable the Settlement Fund to pay 75% of Class Members' Full Benefits each year for the Settlement Fund's expected life as determined by an independent actuary appointed by the Trustee and approved by the District Court."

Your Committee further finds that in accordance with Article X, Section 3 of the NMI Constitution, the Legislature is authorizing a loan from the Marianas Public Land Trust to pay the Minimum Annual Payment for Fiscal Year 2026 in the amount of \$29 million (\$29,000,000.00) and with a simple interest rate of 7.5% calculated annually. Moreover, the Legislature pledges as security and earmarks for debt service until the loan is redeemed the interest accrued on MPLT's trust proceeds and owed to the Commonwealth pursuant to Article XI, Section 6(d) of the NMI Constitution. That is, the Legislature authorizes MPLT to withhold transfer of accrued interest on the trust proceeds until such time as the principal and interest loan balance is redeemed. To ensure transparency and accountability, the Secretary of Finance shall issue a quarterly summary "MPLT Loan Report" which shall be a financial statement detailing the loan balance, the interest accrued, list of expenses, drawdown breakdown, and any reductions due to Marianas Public Land Trust withholding the interest distribution. This MPLT Loan Report shall be submitted to the Governor, Lt. Governor, the presiding officers of both houses of the Legislature, and the trustees of the Marianas Public Land Trust. The Secretary of Finance shall further provide a drawdown payment list to each of the above-enumerated entities prior to expending the funds.

Your Committee acknowledges the economic challenges facing the CNMI and thus supports the intent and purpose of this Act, recommending its passage in its original form.

C. Public Comments/Public Hearing:

GOV.COMM. 24-34: Governor Palacios Letter to President Mendiola and Speaker Villagomez dated June 30, 2025.

"I am writing to inform you that my Administration will not be submitting a revised Fiscal Year 2026 Budget on July 1, 2025. The budget proposal submitted on April 1, 2025, will remain as the official proposal for the upcoming fiscal year.

This decision is based on the confirmation from the Secretary of Finance that there are no changes to the revenue projections for Fiscal Year 2026.

In addition, my Administration – through the Commonwealth Economic Development Authority – is actively engaged in discussions with the Marianas Public Land Trust (MPLT) to secure a \$29 million pension obligation interim bond, as authorized under Public Law 18-12 and its amendments (PL18-44, PL18-45). These funds are critical to meeting the minimum annual payment obligation to the NMI Settlement Fund retirees for Fiscal Year 2026.

The April 1st budget assumes successful execution of the bond by October 1, 2025, and included a \$5.45 million anticipated debt service payment. Recent discussions with MPLT reflect strong interest in legislative collaboration – specifically concerning authority for interest withholding. My Administration is fully committed to working with you to move this initiative forward and prevent significant cuts to vital services in the new fiscal year."

MISC. COMM: 24-46: MPLT Letter to Governor Palacios dated July 1, 2025.

"On June 30, 2025, at the Marianas Public Land Trust (MPLT) General Fund regular meeting, the Trustees approved to consider Scenario 2 (Low Interest) of the Administration's \$29 million investment proposal. As you know, Scenario 2 requires the full faith and credit of the CNMI Government, through legislation authorizing MPLT to withhold 100% distributable net income as payment towards debt service of an approved investment. Furthermore, the MPLT Trustees set a deadline of 90 days for the passing of the required withholding legislation and due diligence review process. Scenario 2 is the only option the Trustees have decided to consider."

GOV.COMM. 24-34 and MISC. COMM: 24-46 have been attached as part of this committee report.

D. Legislative History:

House Bill No. 24-50, introduced by Representative John Paul P. Sablan on August 15, 2025, was subsequently referred to the House Standing Committee on Ways and Means for disposition.


E. Cost Benefit:

Please see the attached cost benefit analysis prepared by the House Fiscal Analyst.

III. CONCLUSION:

The Committee is in accord with the intent and purpose of House Bill No. 24-50, and recommends its passage in its original form on First and Final Reading.


Respectfully submitted,



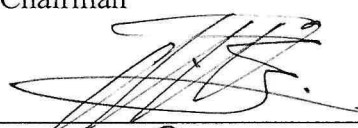
Rep. John Paul P. Sablan
Chairman

Rep. Blas Jonathan "BJ" T. Attao
Vice Chairman

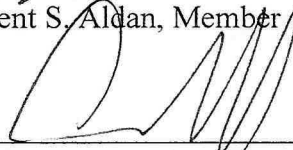
Rep. Roy A. Ada, Member



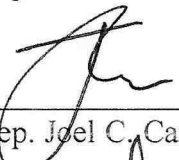
Rep. Roman C. Benavente, Member



Rep. Vincent S. Aldan, Member



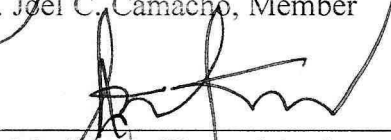
Rep. Angelo A. Camacho, Member



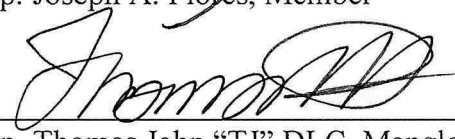
Rep. Joel C. Camacho, Member



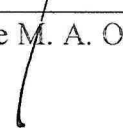
Rep. Joseph A. Flores, Member



Rep. Marissa R. Flores, Member



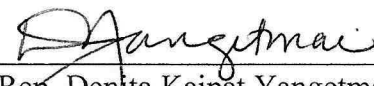
Rep. Thomas John "TJ" DLC. Manglona, Member




Rep. Julie M. A. Ogo, Member

Rep. Malcolm J. Omar, Member

Rep. Patrick H. San Nicolas, Member



Rep. Denita Kaipat Yangetmai, Member



Rep. Ralph N. Vumul, Member

Reviewed by:

Joseph D. Papp
House Legal Counsel

Date: 8/21/25

ATTACHMENT: GOV.COMM 24-34
MISC.COMM 24-46
Cost Benefit Analysis



Arnold I. Palacios
Governor

David M. Apatang
Lieutenant Governor

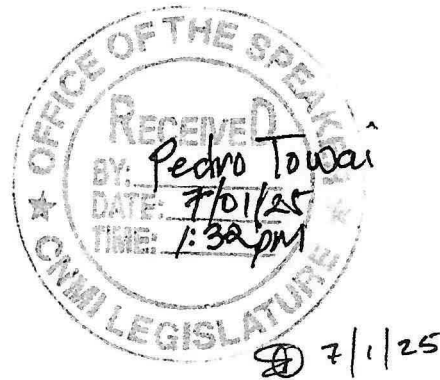
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

June 30, 2025

GOV 2025-506

The Honorable Edmund S. Villagomez
House Speaker
24th Northern Marianas Commonwealth Legislature
P.O. Box 500586
Saipan, MP 96950

The Honorable Dennis C. Mendiola
Senate President
24th Northern Marianas Commonwealth Legislature
P.O. Box 500586
Saipan, MP 96950



Re: Fiscal Year 2026 Budget

Dear Speaker Villagomez and President Mendiola:

I am writing to inform you that my Administration will not be submitting a revised Fiscal Year 2026 Budget on July 1, 2025. The budget proposal submitted on April 1, 2025, will remain as the official proposal for the upcoming fiscal year.

This decision is based on the confirmation from the Secretary of Finance that there are no changes to the revenue projections for Fiscal Year 2026.

In addition, my Administration—through the Commonwealth Economic Development Authority—is actively engaged in discussions with the Marianas Public Land Trust (MPLT) to secure a \$29 million pension obligation interim bond, as authorized under Public Law 18-12 and its amendments (PL 18-44, PL 18-45). These funds are critical to meeting the minimum annual payment obligation to the NMI Settlement Fund retirees for Fiscal Year 2026.

The April 1st budget assumes successful execution of the bond by October 1, 2025, and includes a \$5.45 million anticipated debt service payment. Recent discussions with MPLT reflect strong interest in legislative collaboration — specifically concerning authority for interest withholding. My Administration is fully committed to working with you to move this initiative forward and prevent significant cuts to vital services in the new fiscal year.

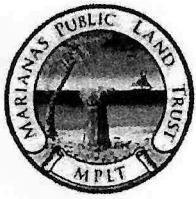
TO GOVERNOR'S OFFICE
RECEIVED BY [Signature]
DATE 7/9/2025 TIME 11:08 AM

Thank you for your leadership and for your ongoing dedication to the people of the Commonwealth.

Respectfully,



ARNOLD I. PALACIOS
Governor



MISC COMM: 24-46
(HOUSE)

MARIANAS PUBLIC LAND TRUST
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

July 1, 2025

Governor Arnold I. Palacios
Office of the Governor
Hon. Juan A. Sablan Administration Building
Saipan, MP 96950

Via Hand Delivery

Reference: *In re: Request for MPLT Loan/Investment \$29 Million Dollars on Pension Obligation Bond Anticipation Note. Informal Notice regarding Trustees' Preliminary Decision to Consider the Loan Request with specific conditions.*

Dear Governor Palacios,

On June 30, 2025, at the Marianas Public Land Trust (MPLT) General Fund regular meeting, the Trustees approved to consider Scenario 2 (Low Interest) of the Administration's \$29 million investment proposal. As you know, Scenario 2 requires the full faith and credit of the CNMI Government, through legislation authorizing MPLT to withhold 100% distributable net income as payment towards debt service of an approved investment. Furthermore, the MPLT Trustees set a deadline of 90 days for the passing of the required withholding legislation and due diligence review process. Scenario 2 is the only option the Trustees have decided to consider.

MPLT looks forward to working with your office and the Legislature on the coordination of further discussions.

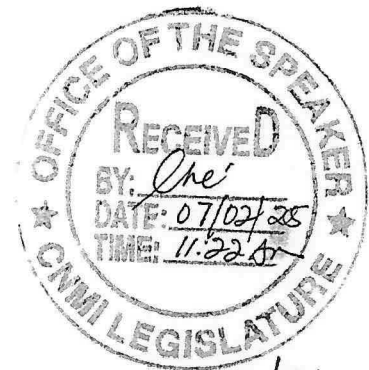
Should you have any questions, please contact our office at (670) 322-4401/4402.


Sincerely,

FOR 


Barbara Reyes, AIF®
Administrator

cc: Lieutenant Governor David M. Apatang
Dennis C. Mendiola, President of the Senate
Jude U. Hofschneider, Chair, Senate Fiscal Affairs Committee
Edmund S. Villagomez, Speaker of the House
John Paul Sablan, Chair, House Ways & Means Committee
Blas Jonathan Attao, Vice Chair, House Ways & Means Committee
MPLT Trustees
\$29 Million NMISF Loan File



 7/2/25

P.O. Box 501089, 1222 Capital Hill Road, Capital Hill Saipan, MP 96950
Telephone: (670) 322-4401 or 322-4402

RECEIVED BY 
DATE 7/3/2025 TIME 11:08 AM



Legislative Bureau
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500586
SAIPAN, MP 96950

FISCAL IMPACT ANALYSIS

Date: August 22, 2025

House Standing Committee: Ways and Means

Legislation: HB 24-50

Short Title: To authorize a loan between the Commonwealth Government and the Marianas Public Land Trust in the amount of \$29,000,000 and authorize the Marianas Public Land Trust to withhold and retain net annual distributable income starting Fiscal Year 2026 for repayment and security of the loan.

Analysis: The Commonwealth will benefit from the authorization of a loan between the Marianas Public Land Trust and the CNMI Government as it will help supplement for the \$29,000,000 minimum annual payment to the CNMI Settlement Fund.

* * * E N D * * *