

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

_____ Session, 2025

H. B. 24- 21

A BILL FOR AN ACT

To establish the Joint Oversight of Incoming Non-local Transfers Act to mandate Legislative and Executive Appropriation for all Non-Locally-Sourced Funds allocated for the Commonwealth of the Northern Mariana Islands.

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

1 **Section 1. Findings.** Federal and other non-locally-sourced funds comprise
2 a significant portion of the Commonwealth’s operational and recovery budgets. The
3 Legislature finds that these funds, though external in origin, must remain subject to
4 local appropriation authority under Article II, Section 16 of the NMI Constitution.

5 Unchecked executive certification and expenditure of such funds has
6 repeatedly raised constitutional concerns and undermined public trust. In response,
7 the Twenty-Second Legislature enacted House Bill 22-33 to restore legislative
8 oversight and exercise more fiscal control over substantial funds that have
9 significant effects on the Commonwealth.

10 Notable examples illustrate the risk of not allowing the CNMI Legislature
11 to participate in the appropriation of these funds in a meaningful way. In the CNMI,
12 the misuse of BOOST program funds—later investigated and involved in court
13 proceedings—reflected the dangers of executive control without legislative

1 appropriation. Similarly, in Puerto Rico, the absence of legislative oversight over
2 post-Hurricane Maria recovery funds delayed aid and triggered federal audits and
3 investigations. The Legislature intends to proactively avoid similar situations.

4 Democratic governance requires that decisions over public expenditures
5 rest with the Legislature, as it holds the “power of the purse”—not just the Governor
6 or a single official. The appropriation power is foundational to the
7 Commonwealth’s constitutional framework and must not be bypassed through
8 unilateral executive action. Safeguarding fiscal integrity and constitutional
9 balance, this Act reaffirms the Legislature’s authority and ensures that no non-
10 locally-sourced funds may be expended or certified for expenditure without
11 legislative review and approval.

12 **Section 2. Short Title.** This Act may be cited as the “JOINT
13 Appropriations Act”, which stands for Joint Oversight of Incoming Non-local
14 Transfers.

15 **Section 3. Enactment.** The following shall be enacted into law as new
16 Sections 7506 to 7511 within Title 1, Government, Division 7, Planning, Budgeting
17 and Auditing, Part 1. Planning and Budgeting Act, Chapter 5. Federal Funds, of the
18 Commonwealth Code:

19 **“§7506. Joint Oversight of Incoming Non-local Transfers.**

20 Notwithstanding any Commonwealth law to the contrary, and unless

1 otherwise preempted by federal law, the expenditure of Non-
2 Locally-Sourced Funds shall be subject to appropriation by law.

3 As used in this Chapter, “Non-Locally-Sourced Funds”
4 means all funds including but not limited to pandemic relief,
5 infrastructure grants, compact impact aid, disaster recovery funds—
6 exclusive of the General Fund and other locally-sourced revenues—
7 that directly or indirectly benefit the Commonwealth of the Northern
8 Mariana Islands and originate from outside the Commonwealth,
9 including from the U.S. Federal Government or any of its agencies,
10 and are subject to expenditure by the Governor or the Office of the
11 Governor.

12 **§7507. Legislative Review of Proposed Certification of Non-**
13 **Locally Sourced Funds.** The Governor shall submit a proposed
14 certification for the expenditure or use of any Non-Locally-Sourced
15 Funds to the Legislature for review. Said certification shall be
16 submitted to the Legislature and may not be transmitted unless
17 approved by statute or joint resolution enacted into law.

18 No certification shall be considered valid or effective unless
19 it is first approved by law or joint resolution enacted by the CNMI
20 Legislature. This requirement applies to all certifications of use for
21 funds originating from federal sources, including but not limited to

1 Title VI of the Social Security Act (42 U.S.C. § 801 et seq.), as
2 amended.

3 **§7508. Exemptions.** The provisions of this Chapter shall not apply
4 to the following entities and the funds they receive or expend, except
5 where the Governor or the Office of the Governor exercises direct
6 expenditure authority:

- 7 1. The CNMI Public School System;
- 8 2. The CNMI Office of Public Auditor;
- 9 3. The Northern Marianas College;
- 10 4. All CNMI autonomous agencies and public corporations;
- 11 5. The Northern Marianas Housing Corporation;
- 12 6. Any federal funds provided directly to a specific grantee pursuant to
13 the terms of a federal grant, contract, or award, provided the grantee
14 is not the Governor or the Office of the Governor.

15 **§7509. Office of Public Auditor Oversight and Audit.** The Office
16 of Public Auditor shall establish a taskforce to monitor expenditure
17 of all Non-Locally-Sourced Funds for compliance with the terms of
18 the certification mandated by this Act and shall issue quarterly
19 reports on the taskforce's findings to the Legislature.

20 **§7510. Unauthorized Expenditure.** In addition to any other civil
21 or criminal penalties, any person who violates this Act by causing

1 the unauthorized expenditure of Non-Locally-Sourced Funds shall
2 be deemed to have committed a felony punishable by not less than
3 5 years and not more than 20 years imprisonment and/or a fine of
4 not less than \$10,000, or both in addition to being jointly or severally
5 liable for the amounts that were expended in violation of this Act.

6 **§7511. Failure to Obtain Legislative Certification.** In addition to
7 any other civil or criminal penalties, any person who violates this
8 Act by failing to obtain legislative certification of Non-Locally-
9 Sourced Funds as provided by the Act, shall be deemed to have
10 committed a misdemeanor punishable by not less than 1 year and
11 not more than 5 years imprisonment and/or a fine of not less than
12 \$1,000, or both in addition to being jointly or severally liable for the
13 amounts that were expended in violation of this Act.”

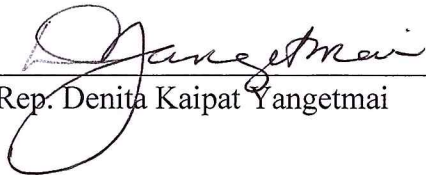
14 **Section 4. Severability.** If any provisions of this Act or the application of
15 any such provision to any person or circumstance should be held invalid by a court
16 of competent jurisdiction, the remainder of this Act or the application of its
17 provisions to persons or circumstances other than those to which it is held invalid
18 shall not be affected thereby.

19 **Section 5. Savings Clause.** This Act and any repealer contained herein
20 shall not be construed as affecting any existing right acquired under contract or
21 acquired under statutes repealed or under any rule, regulation, or order adopted

1 under the statutes. Repealers contained in this Act shall not affect any proceeding
2 instituted under or pursuant to prior law. The enactment of the Act shall not have
3 the effect of terminating, or in any way modifying, any liability, civil or criminal,
4 which shall already be in existence on the date this Act becomes effective.

5 **Section 6. Effective Date.** This Act shall take effect upon its approval by
6 the Governor, or it becoming law without such approval.

Prefiled: 4/10/2025

Date: _____ Introduced by: 
Rep. Denita Kaipat Yangetmai

Reviewed for legal sufficiency by:

House Legal Counsel

Date: 4-10-25