

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

Regular Session, 2025

H. B. 24- 604

A BILL FOR AN ACT

To establish the CNMI Vehicle Buy-Back and Modernization Program, enabling the systematic removal and auction of government vehicles seven years or older, regardless of operational status, and directing revenues to the CNMI Modernization Fund to support fleet upgrades across all agencies.

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

1 **Section 1. Short Title.** This Act shall be known and may be cited as the
2 "CNMI Vehicle Buy-Back and Modernization Act of 2025."

3 **Section 2. Findings and Purpose.** Facing the reality that a significant
4 number of Commonwealth government vehicles are seven years or older, the
5 Legislature finds that these aging units have become a recurring drain on limited
6 public resources. Their high maintenance costs, frequent breakdowns, and
7 diminished reliability not only weaken operational readiness across agencies but
8 also slow the delivery of essential public services. The accumulation of outdated
9 vehicles demonstrates the need for a systemic solution, rather than piecemeal
10 replacement, to address this persistent burden.

1 Leveraging a structured buy-back and auction process offers a strategic
2 pathway to convert this liability into an asset. By mandating that aging vehicles be
3 surveyed, decommissioned, and offered to the public through transparent auctions,
4 the Commonwealth can recover value that would otherwise be lost. In turn, this
5 approach expands access to affordable vehicles for residents and businesses, fosters
6 a more active secondary market, and ensures that every stage of the replacement
7 cycle contributes to modernization rather than waste.

8 Ensuring fiscal transparency and legislative oversight is central to this
9 framework. Under Commonwealth law, revenues deposited into any special fund,
10 including the CNMI Modernization Fund created by this Act, cannot be expended
11 absent a legislative appropriation. This constitutional requirement prevents
12 unilateral spending, compels agencies to justify their modernization requests, and
13 enables the Legislature to weigh priorities across departments. By channeling
14 revenues into a non-lapsing fund subject to annual appropriation, the program
15 strengthens both efficiency and accountability while keeping the Legislature firmly
16 in control of resource allocation.

17 Elevating this Fund above the baseline of general revenues is equally
18 important. The Legislature clarifies that proceeds from the Vehicle Buy-Back and
19 Modernization Program are special revenues with a direct and exclusive nexus to
20 government fleet renewal. As such, these funds do not form part of the “general
21 revenues” under Article XV, Section 1(e) of the CNMI Constitution and are not

1 subject to the twenty-five percent (25%) computation for the Public School System.
2 By defining this boundary clearly, This Act protects both the PSS’s constitutional
3 entitlement and the integrity of a fund designed solely for modernization.

4 Thus, the purpose of This Act is to establish a comprehensive and
5 responsible program for government fleet renewal that turns aged vehicles into an
6 opportunity for progress. By requiring auctions, dedicating proceeds to a special
7 modernization fund, and subjecting expenditures to legislative appropriation, the
8 Commonwealth will achieve long-term savings, improve the safety and efficiency
9 of its vehicle fleet, and reinforce fiscal discipline through transparent oversight.
10 This Act ensures that modernization is not a one-time event but a sustained cycle
11 of accountability and reinvestment.

12 **Section 3. Enactment.** Title 1, Government, Division 9, Miscellaneous
13 Provisions, of the Commonwealth Code is amended by adding a new Chapter 10 to
14 read as follows:

15 **“Chapter 10. Vehicle Buy-Back and Modernization Act**

16 **§ 100. Short Title.** This chapter may be cited as the Vehicle Buy-Back and
17 Modernization Act of 2025.

18 **§ 101. Definitions.**

19 As used in this Chapter, the following terms shall have the meanings set
20 forth below:

21 (a) “Program” means the Vehicle Buy-Back and Modernization Program
22 established by This Act.

23 (b) “Eligible Vehicle” means a government-owned vehicle that is seven (7)
24 years or older, regardless of operational status or mechanical condition.

25 (c) “Participating Agency” means any CNMI government department,

1 office, bureau, board, commission, authority, corporation, or
2 autonomous agency.

3 (d) "Buy-Back Auction" means the process of selling Eligible Vehicles or
4 parts through an open, competitive bidding process conducted under this
5 Chapter.

6 (e) "Modernization Fund" means the special fund established under § 105
7 of this Chapter.

8 (f) "Operable Vehicle" means a vehicle that can be legally and safely
9 driven on public roads with only routine maintenance or minor repair.

10 (g) "Non-operable Vehicle" means a vehicle that cannot be legally or safely
11 driven on public roads without significant repair, or that has been
12 designated for salvage or dismantling.

13 (h) "Resident" means a natural person domiciled in the Commonwealth of
14 the Northern Mariana Islands, including U.S. citizens and nationals
15 lawfully residing in the Commonwealth.

16 (i) "Private Citizen" means a Resident who is not purchasing in an official
17 capacity for a Commonwealth government agency.

18 **§102. Establishment of the Vehicle Buy-Back Program.**

19 (a) The CNMI hereby establishes the Vehicle Buy-Back and Modernization
20 Program, jointly administered by the Secretary of Finance and the Director of
21 Procurement and Supply.

22 (b) Participating Agencies shall submit annually to the Division of
23 Procurement and Supply, Department of Finance, an inventory of all vehicles seven
24 (7) years or older.

25 (c) To ensure maximum value recovery, no vehicle, regardless of condition,
26 shall be surveyed out, scrapped, or discarded unless first offered through the public
27 auction process established in this chapter except as otherwise provided by this
28 Chapter and in harmony with existing surplus property laws. This requirement

1 includes non-operational vehicles or those deemed unrepairable, which may be sold
2 as-is for salvage or parts.

3 (d) Upon approval by the Director of Procurement and Supply and the
4 Secretary of Finance, eligible vehicles shall be decommissioned and prepared for
5 public auction.

6 **§103. Vehicle Auction Process.**

7 (a) All Eligible Vehicles shall be sold “As-Is, Where-Is” via public auction,
8 conducted at least once per fiscal year.

9 (b) Eligible bidders shall include Private Citizens, Residents, CNMI-
10 licensed businesses, and Commonwealth government employees, consistent with §
11 101 of this Chapter.

12 (c) The auction shall be publicly advertised at least thirty (30) days in
13 advance using print, radio, and official CNMI government platforms.

14 (d) The Secretary of Finance shall ensure all bids are conducted
15 transparently and competitively, in accordance with CNMI procurement and
16 surplus disposal policies.

17 (e) Winning bidders must, within fifteen (15) business days, comply with
18 the following requirements:

19 (1) For Operable Vehicles: register the vehicle in compliance with
20 CNMI vehicle registration laws.

21 (2) Provide proof of insurance in accordance with CNMI laws,
22 where applicable.

23 (3) Failure to comply will result in forfeiture of the vehicle or parts
24 and a penalty fee as determined by the Secretary of Finance.

25 **§104. Terms of Sale and Liability.**

26 (a) All vehicles sold through the Program are sold in “As-Is, Where-Is”
27 condition, and the CNMI government makes no warranties, expressed or implied.

28 (b) The CNMI assumes no liability for any repairs, damages, or issues

1 arising from the vehicles or parts after their sale under this Program.

2 (c) Purchasers are solely responsible for the transport, registration, and legal
3 operation or use of vehicles or parts acquired through the Program.

4 **§105. Establishment of the CNMI Modernization Fund.**

5 (a) A special fund, known as the CNMI Modernization Fund, is hereby
6 created, separate and apart from the General Fund, and shall be non-lapsing.

7 (b) All revenues generated by the Vehicle Buy-Back Program,
8 including auction proceeds and penalty fees, shall be deposited into the
9 Modernization Fund.

10 (c) Notwithstanding subsection (d), the Public School System (PSS)
11 shall not be eligible to receive revenues or appropriations from the CNMI
12 Modernization Fund.

13 (d) The Secretary of Finance shall administer the Modernization Fund,
14 and the Legislature shall appropriate these special revenues from this Fund for the
15 following purposes:

16 (1) Government fleet modernization, including:

17 (A) Replacing outdated or inoperable vehicles; and

18 (B) Purchasing or leasing more energy-efficient, fuel-efficient, or
19 low-maintenance vehicles.

20 (2) Funding requests from CNMI government agencies, provided that the
21 agency submits a written request to the Secretary of Finance including:

22 (A) Justification for the upgrade;

23 (B) Evidence that the proposed vehicle(s) demonstrate
24 improvements in efficiency, safety, or environmental impact; and

25 (C) Alignment with long-term cost savings or operational
26 enhancement goals.

27 (3) Other authorized uses, including:

28 (A) Infrastructure or equipment improvements related to

- 1 government fleet operations;
2 (B) Public safety and emergency response vehicle upgrades; and
3 (C) Technological enhancements to vehicle tracking, fuel
4 management, or maintenance systems.

5 **§106. Reporting Requirements.**

6 No later than 60 days after the close of each fiscal year, the Secretary of
7 Finance and the Director of Procurement and Supply shall jointly submit an annual
8 report to the Legislature, detailing:

- 9 (1) The number and condition of vehicles auctioned;
10 (2) Total revenues generated by the Program;
11 (3) Amounts disbursed from the Modernization Fund;
12 (4) Agencies benefiting from modernization efforts funded by the
13 Program; and
14 (5) Recommendations for improving the Program's effectiveness and
15 efficiency.”

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

21 **Section 5. Savings Clause.** This Act and any repealer contained herein
22 shall not be construed as affecting any existing right acquired under contract or
23 acquired under statutes repealed or under any rule, regulation, or order adopted
24 under the statutes. Repealers contained in this Act shall not affect any proceeding
25 instituted under or pursuant to prior law. The enactment of this Act shall not have

1 the effect of terminating, or in any way modifying, any liability, civil or criminal,
2 which shall already be in existence on the date this Act becomes effective.

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

Prefiled: 10-02-07

Date: _____

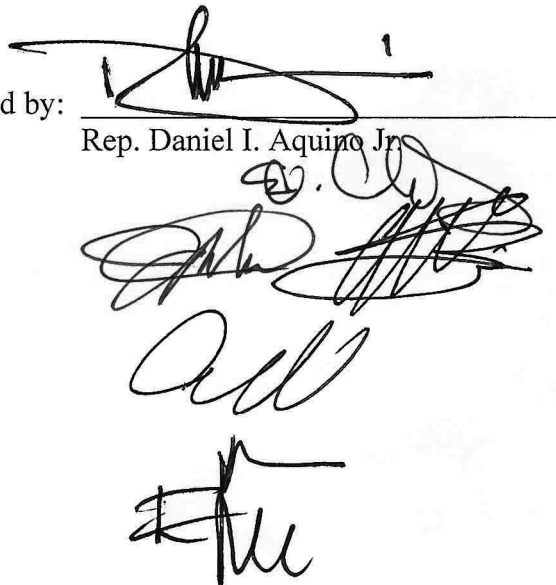
Introduced by: _____

Rep. Daniel I. Aquino Jr.

Reviewed for Legal Sufficiency by:

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

Date: 9-30-25

A collection of handwritten signatures and initials. At the top is a long, horizontal signature. Below it is a signature that appears to be 'D. I. Aquino Jr.' with a circled 'D'. Below that are several other signatures, including one that looks like 'All' and another that looks like 'F. M.'.