

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

_____ Session, 2025

H. B. 24-68

A BILL FOR AN ACT

To conditionally authorize the Marianas Public Land Trust to establish a margin account solely to facilitate the \$29,000,000 loan authorized under Public Law 24-13, subject to the continuing fiduciary and constitutional duties of the Trustees.

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

1 **Section 1. Findings and Purpose.** The Legislature recognizes the
2 continuing fiscal obligations of the Commonwealth Government to make the
3 minimum annual payment to the Settlement Fund and acknowledges the Marianas
4 Public Land Trust's role as an independent fiduciary charged with preserving and
5 investing the trust corpus in accordance with Article XI of the Commonwealth
6 Constitution.

7 The Trustees have requested limited statutory authority to establish a
8 *margin account* with a licensed United States broker-dealer to obtain short-term
9 liquidity in connection with the \$29,000,000 loan authorized by *Public Law 24-13*.
10 A margin account allows an investor to borrow against existing securities rather
11 than liquidating them; however, such borrowing involves leverage and therefore
12 carries heightened risk.

1 The Legislature finds that any use of a margin account by the Marianas
2 Public Land Trust must be confined strictly to the purpose of executing the specific
3 loan authorized by *Public Law 24-13*, and that such authority shall not diminish the
4 Trustees' continuing fiduciary duties of prudence, loyalty, and care under Article
5 XI, Section 6 of the Commonwealth Constitution.

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

7 **§ 101. Limited Authorization for Margin Account.** The Marianas Public
8 Land Trust may establish a margin account with a duly licensed United States
9 broker-dealer solely to secure or facilitate the \$29,000,000 loan authorized by
10 Public Law 24-13. The margin account shall not be used for any other investment
11 or trading purpose.

12 **§ 102. Restrictions on Use of Corpus.** The Trustees may pledge or
13 collateralize only such portion of the trust's investment-grade securities as is strictly
14 necessary to secure the loan authorized by Public Law 24-13. In no event shall the
15 aggregate collateral or borrowing exposure exceed the cash value equivalent of
16 \$29,000,000.

17 **§ 103. Continuing Fiduciary Duties.** The Trustees shall at all times remain
18 subject to the fiduciary obligations imposed by Article XI, Section 6 of the
19 Commonwealth Constitution, including the duties of prudence, loyalty, and
20 preservation of corpus. Nothing in this Act shall be construed to deem any margin

1 transaction prudent per se, nor to confer indemnification or immunity upon any
2 Trustee.

3 **§ 104. Reporting.** Within thirty (30) days of entering into any margin
4 account arrangement under this chapter, the Trustees shall submit a written report
5 to the Legislature and the Governor describing the collateral pledged, borrowing
6 terms, and safeguards adopted to protect the corpus. Quarterly updates shall be
7 provided thereafter until the margin account is fully closed.”

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.

Prefiled: 10/15/2025

Date: _____

Introduced by: _____

Rep. John Paul P. Sablan

Reviewed for legal sufficiency by:

John D. Day
House Legal Counsel

Date: 10-15-25

[Handwritten signatures and notes in blue and black ink]
Rep. John Paul P. Sablan
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