TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

Fourth Reg. SESSION, 2025 **S.B. NO. 24-64**

A BILL FOR AN ACT

To amend 4 CMC § 8141(c) to extend from three to five years the amount of time over which the Commonwealth Utilities Corporation may reach full cost recovery for the benefit of the ratepaying public; and for other purposes.

BE IT ENACTED BY THE TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Findings and Purpose. The Legislature finds that the purpose of this bill is to provide relief to ratepayers. Presently, the Commonwealth Utilities Corporation is required to set rates which fully recover costs over three years. This bill would extend that period to five years. Doing so would provide relief to ratepayers as rates would be allowed to be increased gradually over more time. The second purpose of this bill is to remove an incorrect citation to 4 CMC § 1602, regarding tax exemptions, in the present law.

Section 2. Amendment. Title 4 section 8141(c) of the Commonwealth Code is amended to read as follows:

"(c) ~~Pursuant to 4 CMC § 1602, t~~The Board shall adjust the utility services collection and rate structure so that within ~~three~~ five complete fiscal years collections from a particular utility service are sufficient to recover the costs associated with the operation and delivery of the particular utility service. These costs shall include adequate financial reserves for debt service, if any, and the replacement costs of obsolete or damaged equipment."

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

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herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes.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

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

Date: 8/11/2024

Introduced By: _____
Senator Jude U. Hofschneider

Reviewed for Legal Sufficiency by:

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Senate Legal Counsel