



GOV. COMM. 12-191  
(HOUSE 1)

## COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

**Pedro P. Tenorio**  
Governor  
**Jesus R. Sablan**  
Lt. Governor

Caller Box 10007  
Saipan, MP 96950  
Telephone: (670)664-2200  
Fax: (670)664-2211

The Honorable Paul A. Manglona  
Senate President  
Twelfth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

NOV 13 2001

and

The Honorable Benigno R. Fitial  
Speaker, House of Representatives  
Twelfth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

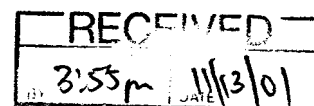
Dear Mr. President and Mr. Speaker:

This is to inform you that I have signed into law Senate Bill No. 12-123, SD1, CD1, "To make amendments to the Board of Public Lands Act of 2000, 1 CMC § 101 (a), Section 102, § 104 (h) and § 106 (d); and for other purposes," which was passed by the Twelfth Northern Marianas Commonwealth Legislature.

I sign this bill into law in deference to the broad constitutional authority of our Legislature and to the support of the bill by the Board of Public Lands and by the Public Lands Administrator. This bill, however, suffers from several technical deficiencies, which will have to be remedied by corrective amendment in order to properly carry out the intent of the bill.

The technical deficiencies which require further amendment are as follows:

1. By amending 1 CMC § 101 (a), this legislation reorganizes and redesignates the current Board of Public Land Management, which was established by Public Law 12-33, as the "Marianas Public Lands Authority." The Office of the Public Lands, headed by the Public Lands Administrator appears to be abolished. The newly designated agency head is the "Commissioner of Public Lands Authority." However, the reference to the Public Lands Administrator, "to carry out the policies of the Board concerning matters under its jurisdiction," in Section 103 (a) of Public Law 12-33 remains unchanged. Section 103 (a) should be amended to conform to Section 101 (a).



2. Section **101 (b)** of Public Law **12-33** declares the Board of Public Lands to be the successor to the Marianas Public Lands Corporation ("MPLC") and assigns all residual powers and duties of MPLC to the Board of Public Lands Management. This legislation does not amend Section **101 (b)**. This creates the anomalous situation of an abolished entity, the Board of Public Lands (Management), holding and succeeding to certain powers formerly held by MPLC. Section **101 (b)** should be amended to conform with the amendments made to Section **101 (a)**.
3. Section **101 (a)** of the bill provides that the "Board of Directors shall serve every (sic) five years with three serving four and two serving five years." This provision is both unclear and inconsistent with Public Law **12-33**, Section **103 (d)**, which creates a four year staggered term. The conflict between these sections must be reconciled by amendment.
4. Proper reference to the law that this bill seeks to amend is Public Law **12-33**, not "H.B. **12-257**." Therefore, all references to "H.B. **12-257**" should be redesignated as Public Law **12-33**.

This bill becomes **Public Law No. 12-71**. Copies bearing my signature are forwarded for your reference.

Sincerely,



PEDRO P. TENORIO  
ED . TENORIO

CC: Board of Public **Lands**  
Director of Public **Lands**  
Special Assistant for Programs & Legislative Review

**THE SENATE**  
**TWELFTH NORTHERN MARIANAS COMMONWEALTH**  
**LEGISLATURE**

*Public Law No. 12-71*  
**SENATE BILL NO. 12-123, SD1, CD1**

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**AN ACT**

To make amendments to the Board of Public Lands Act of 2000, 1 CMC § 101(a), Section 102, § 104 (h) and § 106 (d); and for other purposes

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**Offered by Senator(s):** Joaquin G. Adriano

**Date:** July 11, 2001

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**SENATE ACTION**

**Standing Committee Report:** None

**Final Reading:** July 25, 2001

**Accepted House Amendments:** September 27, 2001.

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**HOUSE ACTION**

**Referred to:** Committee on Natural Resources

**Standing Committee Report:** 12-262

**First and Final Reading:** September 7, 2001

  
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JOAQUIN G. ADRIANO  
Senate Legislative Secretary

**TWELFTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE**

**THIRD REGULAR SESSION, 2001**

*Public Law No. 12-71*

**SENATE BILL**

**NO. 12-123, SD1, CD1**

**AN ACT**

To make amendments to the Board of Public Lands Act of 2000, 1 CMC§ 101 (a), Section 102, § 104 (h) and § 106 (d); and for other purposes.

**BE IT ENACTED BY THE TWELFTH NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

1           Section 1. Findings. The Legislature finds that questions have arisen to the extent of the  
2 powers and duties of the Board of Public Lands. It is the intent of the Legislature that the Board of  
3 Public Lands be given broad powers over its operations, and the leasing of public lands.

4           Section 2. Amendments.

5                   (a) 1 CMC § 101 (a) as enacted by the Board of Public Lands Act of 2000 (H.B.  
6 No. 12-257), is hereby amended as follows:

7                           “(a) There is established within the Executive Branch an independent public  
8 corporation of the Commonwealth of the Northern Mariana Islands, a public  
9 corporation to be known as the Marianas Public Lands Authority. The office of  
10 Marianas Public Lands Authority shall be headed by Commissioner of Marianas  
11 Public Lands Authority and Deputy Commissioner for each Senatorial District. All  
12 other Division of the Marianas Public Lands Authority shall be headed by the  
13 Division Chief. The Commissioner shall serve at the pleasure of the Board of  
14 Directors. Each Deputy Commissioner shall be appointed by the Board of Directors.  
15 This Public Corporation is established under the control and general supervision of  
16 the Board of Directors to execute, implement and enforce the policies, decisions,  
17 orders, rules and regulations of the Board. The Board of Directors shall serve every  
18 five years with three serving four and two serving five years. The present board is  
19 not effected by this amendment upon effective of this Act.”

4 (b) 1 CMC Section 102 as enacted by the Board of Public Lands Act of 2000 (H.B.  
5 No. 12-257), is hereby amended to include a new subsection (c) to read as follows:

6 “(c) The Board of Directors may select, employ, promote and terminate  
7 employees, employ contractors and consultants, employ legal counsels, sue and be  
8 sued in its own name, provide liability insurance as it considers necessary, make  
9 contracts, borrow money within the limitations contained in Article X of the  
10 Constitution of the Northern Mariana Islands, and take any other action necessary  
11 for the management or disposition of surface and submerge public lands.”

12 (c) 1 CMC § 104 (h) as enacted by the Board of Public Lands Act of 2000 (H.B.  
13 No. 12-257), is hereby amended to read as follows:

14 “(h) The Board of Directors shall receive all moneys from public lands  
15 except those from lands in which freehold interest has been transferred to another  
16 agency of government pursuant to section 104 (c), and shall transfer these moneys  
17 after the end of fiscal year to the Marianas Public Land Trust except that the Board  
18 of Directors shall retain the amount necessary to meet reasonable expenses of  
19 administration and management, land surveying, homestead development, and any  
20 other expenses reasonably necessary for the accomplishment of its functions. It  
21 shall prepare and submit a budget as a government corporation pursuant to 1 CMC §  
22 7206.”

23 (d) 1 CMC § 106 (d) as enacted by the Board of Public Lands Act of 2000 (H.B.  
24 No. 12-257), is hereby amended to read as follows:

25 (d) **The** Board of Directors shall maintain records documenting the basis of  
26 rental computations for public lands leases. Minimum annual rental payments for all  
27 public land lease for commercial purposes shall not be less than eight percent (8%)  
28 of the appraised fair market value of the public land except where otherwise  
29 provided **by** the terms of a valid lease in effect prior to October 23, 1998, The Board  
30 of Directors, however, shall have the power to negotiate lease rental at rates, not less  
31 than 2% that take into consideration the current economic condition of the  
32 Commonwealth and or the economic benefits to be derived therefrom. This  
33 discretion of the Board of Directors in negotiating lease rentals shall take into  
consideration the following but not necessarily limited to, rental reduction due to the  
present economic climate in the Commonwealth, reduction in lease rentals during  
development and construction phases of any commercial development on public

1 lands, and reduction in rentals for non-profit learning institutions, which reduction in  
2 lease rentals is deemed an economic incentive for a developer to proceed in  
3 completing the development intended with less burden. The Board of Directors may  
4 set the minimum annual lease rentals at two percent (2%), but not less than, of the  
5 appraised fair market value of the lease of public lands during the development and  
6 construction phases, pursuant to the terms of commercial lease or non-profit lease,  
7 as the case may be, entered into after the effective date of this Act. Following the  
8 completion of the construction of the development in accordance with the terms of a  
9 lease, the Board of Directors shall increase the minimum annual rates at one percent  
10 (1%) per year until the minimum of eight percent (8%) is attained and, in that event,  
11 the increment thereafter shall be based on eight percent (8%) of the current  
12 appraised fair market value of the leased public land. Such increment shall be made  
13 at every five-year interval or period during the term of a lease, and shall be  
14 computed and collected by the Board of Directors. The Board of Directors may, at  
15 its discretion, insert a provision in any lease entered into after the effective date of  
16 this Act, requiring lessee to pay additional rentals to be based on at least a minimum  
17 of three percent (3%) of the business gross receipts of a commercial lease, which  
18 additional gross receipt rentals shall be computed and collected by the Board as  
19 additional rentals if the gross receipt rentals exceed the minimum annual base  
20 rentals. This, however, shall not preclude the Board of Directors from immediately  
21 imposing the appraised fair market value of any leased public land for commercial  
22 development if, in the opinion of the Board of Directors, the lessee of that public  
23 land has not made reasonable effort in completing the development project in  
24 accordance with the construction schedule set forth in the lease. The Board of  
25 Directors shall establish procedures for the regular appraisal of all public lands  
26 leased for commercial purposes which ensure that the fair market value basis for  
27 computation of minimum annual rental payments for any given lease is updated  
28 every five (5) years or such other period as provided in valid leases in effect prior to  
29 October 23, 1996. That all local farmer(s) for grazing and farming may obtain five  
30 years permit and additional five years upon approval by the Board of Directors.  
31 Except for commercial use, farming and grazing shall be charged not more than  
32 \$5.00 per hectares. Failure of the Board of Directors to comply with the

1 requirements stated herein shall not relieve any lessee of the obligation to pay the  
2 minimum rentals prescribed herein.”

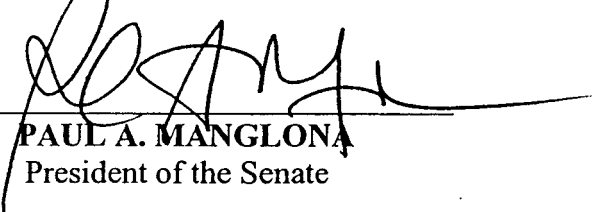
3 Section 3. Compensation for Board of Directors. The Board of Directors shall be  
4 compensated and receive **\$300.00** per day when attending off-island Board of Directors meetings  
5 within the Northern Mariana Islands Senatorial District. The Board of Directors meeting at his/her  
6 own Senatorial District shall receive \$150.00 per day. **Any** Board of Directors traveling outside of  
7 the Commonwealth of the Northern Mariana Islands shall receive the establish Government Rate.

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

12 Section 5. Savings Clause. This Act and any repealer contained herein shall not be  
13 construed as affecting any existing right acquired under contract or acquired under statutes repealed  
14 or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act  
15 shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act  
16 shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal,  
17 which shall already be in existence at the date this Act becomes effective.

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

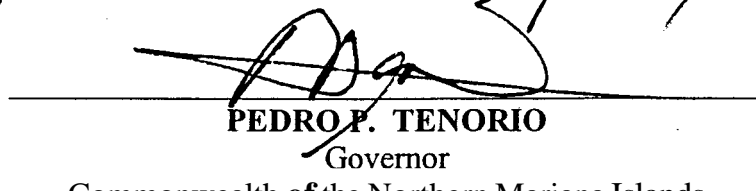
**CERTIFIED BY:**

  
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**PAUL A. MANGLONA**  
President of the Senate

**ATTESTED BY:**

  
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**JOAQUIN G. ADRIANO**  
Senate Legislative Secretary

*Approved* this 13<sup>th</sup> day of November, 2001

  
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**PEDRO P. TENORIO**  
Governor  
Commonwealth of the Northern Mariana Islands