



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

FROILAN C. TENORIO  
Governor

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Lt. Governor

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The Honorable Diego T. Benavente  
Speaker of the House of Representatives  
Ninth Northern Marianas

Commonwealth Legislature  
Saipan, MP 96950

The Honorable Ricardo S. Atalig  
Acting President of the Senate  
Ninth Northern Marianas

Commonwealth Legislature  
Saipan, MP 96950

Dear Mr. Speaker and Mr. President:

This is to inform you that I have signed into law House Bill No. 9-399 ("H.B. 9-399"), entitled, "The Water Catchment Tank Revolving Fund Program Act of 1995," which was passed by the Ninth Northern Marianas Commonwealth Legislature.

I certainly appreciate the Legislature's accomplishment in addressing each of the legal and practical concerns that I expressed in my prior comments to H.B. 309. With H.B. 9-399's enactment into law, the government will be providing a valuable public service by authorizing the CDA to issue low interest loans to CNMI residents for the installation of much needed water catchment systems.

Notwithstanding my signing this bill into law, there is one further amendment that should be addressed by the Legislature. 4 CMC §8163 should be amended to provide loan eligibility to those applicants who are lessees of real property and whose primary residences are on such leased properties. As presently drafted, applicants must either be homesteaders or have fee simple title to the properties where the water catchment tanks are to be installed. Under this bill, for example, lessees having a commonplace 55-year lease on real property (who may have actually paid for the construction of their residences on the leased properties) are excluded from loan eligibility.

To require that an applicant either be a title holder or homesteader of real property in the CNMI effectually discriminates against lessees of real property. Although all lessees will be treated the same (indigenous and non-indigenous

20 JUN 1995



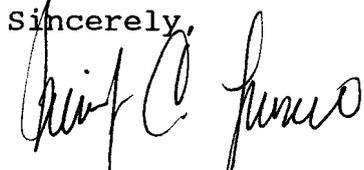
U.S. citizens), the exclusion of all lessees from loan eligibility effectively limits the loan program to indigenous citizens.

Unless the Legislature can identify a compelling Commonwealth interest in excluding lessees from the loan program, the bill should be amended to authorize CDA loan eligibility for lessees. As I see it, the specific purpose of the loan program is to benefit Commonwealth residents without regard to the form of their interest in the underlying real property where their primary residence is located. The CDA is certainly capable of adequately securing the repayment of loans for improvements made on leased properties.

The urgency of addressing the water emergency necessitates my signing this bill into law. The Legislature should take quick and corrective action to address the remaining legal/policy concern as set forth above.

H.B. 9-399 becomes Public Law No. 9-42.

Sincerely,



FROILAN C. TENORIO

# HOUSE OF REPRESENTATIVES

NINTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE  
FIRST SPECIAL SESSION, 1995

PUBLIC LAW 9-42  
HOUSE BILL NO. 9-399

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## AN ACT

To repeal 4 CMC, Div. 8, Article 6 Sections 8161 to 8167 and to reenact; to establish a water catchment tank loan revolving fund program, and for other purposes.

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**Offered by Representatives:** Vicente T. Attao, Heinz S. Hofschneider, Mametto U. Maratita, Stanley T. Torres, Ramon C. Dela Cruz, Jesus T. Attao and Oscar M. Babauta

**Date:** May 8, 1995

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### HOUSE ACTION

Standing Committee Report: None

First and Final Reading: May 8, 1995

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### SENATE ACTION

Standing Committee Report: None

Second and Final Reading: May 9, 1995

  
Evelyn C. Fleming  
House Clerk

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AN ACT

To repeal 4 CMC, Div. 8, Article 6 Sections 8161 to 8167 and to reenact;  
To establish a water catchment tank loan revolving fund program,  
and for other purposes.

BE IT ENACTED BY THE NINTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1           Section 1. Title. This Act shall be known as the "The Water Catchment Tank  
2    Loan Revolving Fund Program Act of 1995".

3           Section 2. Findings. The Legislature finds that the Division of Public Lands  
4    of the Department of Lands and Natural Resources has issued several thousand  
5    resident lots in Saipan, Tinian and Rota and that a substantial number of  
6    homeowners are still not connected to nor reached by the public water distribution  
7    lines. The Legislature also finds that a substantial number of homeowners who are  
8    connected to the public water distribution lines are still experiencing water  
9    problems resulting from pipe leaks, limited water supply and water pressure to  
10   reach residences at high level areas. Further, the Legislature finds that there are  
11   times when the water supply is interrupted because of the lack in power  
12   generation at the pump stations attributed to power outages and other  
13   inconveniences. Additionally, the Legislature finds that in order to provide the  
14   general public with water at their residecces at all times, each and every  
15   household should be encourage to install a water catchment tank at their property.  
16   According to the Secretary of Finance's letter of 8/31/94 to the Legislative Assistant  
17   at CIJC, relative to the \$1 million appropriations for water catchment tank and  
18   power generator systems, the funds appropriated under the Act lapsed and reverted  
19   to the General Fund. "Therefore, to meet the unmet need of the community, the  
20   Legislature believes that an affordable loan revolving fund program should be  
23   developed and implemented.

1 Section 3. Repealer and Reenactment. 4 CMC, Div. 4, Article 6 , Sections 8161  
2 through 8167 are hereby repealed and reenacted to read as follows:

3 "Section 8161. Establishment of a Water Catchment Loan Revolving  
4 Fund Program. There is hereby established a Water Catchment Tank Loan  
5 Revolving Fund Program to be administered by the Commonwealth  
6 Development Authority whose duties and responsibilities shall include but  
7 are not limited to:

- 8 1. Designing and developing the loan applications form;
- 9 2. Reviewing and approving such loan applications; and
- 10 3. Promulgating Rules and Regulations to effectively and  
11 efficiently implement the intent of this Act.

12 Section 8162. Authorization to Fund the Water Catchment Tank Loan  
13 Revolving Fund Program. There is hereby authorized the aggregate sum of  
14 \$1 million (\$1,000,000.00) from the Commonwealth Development Authority  
15 Funds to be used exclusively for loans to qualified individuals in the  
16 purchase and installation of a residential water catchment tank and booster  
17 pump.

18 Section 8163. Purpose and Eligibility.

19 (a) Moneys disbursed under the revolving fund shall only be  
20 for residential use and specifically for the purchase and installation  
21 of a water catchment tank and booster pump.

22 (b) In order to qualify, the applicant shall meet the following  
23 eligibility requirements:

- 24 (1) A U.S. Citizen or National or CNMI Citizen and is a  
25 resident of the CNMI;
- 26 (2) Title holder of real estate on the islands of Saipan,  
27 Rota, or Tinian;
- 28 (3) Have a residential dwelling which is the principal  
29 place of abode;
- 30 (4) A homesteader if not a fee simple title holder;
- 31 (5) Currently employed;

1 (6) Able to demonstrate need; and

2 (7) Shall have a combined household net annual income  
3 not to exceed forty thousand dollars (\$40,000.00).

4 Section 8164. Loan Amounts and Conditions.

5 A maximum amount of loan per applicant per house shall not exceed  
6 five thousand dollars (\$5,000.00) depending on the demonstrated need and  
7 the ability to pay of the applicant. An applicant shall receive not more than  
8 one loan per water catchment tank including the booster pump. Should the  
9 loan applicant rent, lease or sell the residential dwelling to a person outside  
10 of his or her immediate household or sell the water catchment tank or  
11 booster pump, the entire loan amount shall immediately become due and  
12 payable.

13 Section 8165. Terms of Payment and Interest Rate. The payment terms  
14 of the loan shall be for a period not to exceed four (4) years at a fixed  
15 interest rate not to exceed three percent (3%).

16 Section 8166. Implementation of Loan Program. The Commonwealth  
17 Development Authority shall have sixty (60) days following the effective  
18 date of this act to promulgate rules and regulations for the management and  
19 repayment of the loan program."

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

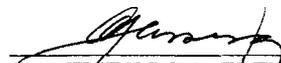
25 Section 5. Savings Clause. This Act and any repealer contained herein shall  
26 not be construed as affecting any existing right acquired under contract or  
27 acquired under statutes repealed or under any rule, regulation or order adopted  
28 under the statutes. Repealers contained in this Act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

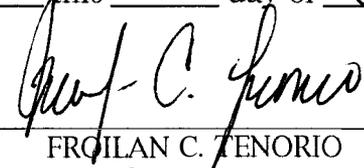
1 Section 6. Effective Date. This Act shall take effect upon its approval by the  
2 Governor or upon its becoming law without such approval.

CERTIFIED BY

ATTESTED BY:

  
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DIEGO T. BENAVENTE  
Speaker  
House of Representatives

  
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EVELYN C. FLEMING  
House Clerk

*Approved* this *20<sup>th</sup>* day of *June*, 1995  
  
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FROILAN C. TENORIO  
Governor  
Commonwealth of the Northern Mariana Islands