



HOUSE OF REPRESENTATIVES
SIXTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
SECOND DAY, SEVENTH SPECIAL SESSION, 2008

House Legislative Initiative 16-11, HD2

A House Legislative Initiative

To amend Article III, Section 9(a), of the Constitution of the Northern Mariana Islands to prohibit the withdrawal of any funds from the General Fund except by appropriations made by law.

In the HOUSE OF REPRESENTATIVES

Offered by Representatives: Diego T. Benavente, Joseph P. Deleon Guerrero,
Edward T. Salas, and Ray N. Yumul

Date: February 29, 2008

Referred to: Committee on Judiciary and Governmental Operations
Public Hearing Conducted on June 11, 2008
Standing Committee Report No. 16-29

Passed First and Final Reading on July 10, 2008

In the SENATE

Referred to: Committee on Judiciary, Government and Law
Public Hearing: None
Standing Committee Report: None

Passed Final Reading on July 31, 2008


Evelyn C. Fleming, House Clerk



HOUSE OF REPRESENTATIVES
SIXTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
FIRST REGULAR SESSION, 2008

HOUSE LEGISLATIVE INITIATIVE 16-11, HD2

A HOUSE LEGISLATIVE INITIATIVE

To amend Article III, Section 9(a), of the Constitution of the Northern Mariana Islands to prohibit the withdrawal of any funds from the General Fund except by appropriations made by law.

BE IT ENACTED BY THE SIXTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1 **Section 1. Findings.** The Legislature finds that in the past decade that the legislature
2 and the governor failed to pass the budget for fiscal year's 2000, 2001, 2002, 2004, 2005, and
3 2006, by the September 1 deadline. The legislature also finds that the submission of the
4 governor's proposed budget to the legislature is on or before April 1 allowing sufficient time
5 for members to reach an agreement by September 1, which provides the legislature with five
6 months to consider the budget. The failure to enact a budget has contributed to the
7 Commonwealth Government's cumulative deficit of approximately \$170 million dollars
8 which is in violation of Article X, Section 6, of the Constitution of the Commonwealth of the
9 Northern Mariana Islands which requires that if an operating deficit is incurred in future
10 fiscal years, that the government shall retire the deficit during the second consecutive fiscal
11 year following the year.

12 The legislature also finds that 23 U.S. states contain provisions to effectuate the
13 shutdown of government services until a budget is enacted further emphasizing the fiscal
14 importance of enacting a budget. Thirty-seven states have provisions against carrying deficits
15 into the next fiscal year which further enforces the principle of a balanced budget. The
16 legislature additionally finds that in order to protect the health, safety, and welfare of the
17 people of the Commonwealth that it is necessary that the government continue to provide

1 essential services without interruption and effectuate the cessation of services that are not
2 essential in a safe, effective, and orderly manner.

3 There are many costs associated with the failure to enact a budget including increased
4 operational costs, the inability to deal with contractual obligations, and increased deficit
5 spending resulting from working at the previous year's spending levels. Other incalculable
6 costs include the decline in public confidence in elected officials, damage to the image of the
7 Commonwealth Government, and a poor credit rating.

8 **Section 2. Legislative Initiative.** The Sixteenth Northern Marianas Commonwealth
9 Legislature, by the affirmative vote of three-fourths of the members of each house present
10 and voting, hereby proposes the following amendment to Article III, Section 9(a), of the
11 Constitution of the Northern Mariana Islands to be placed before the people for ratification at
12 the next general election:

13 **“A PROPOSED CONSTITUTIONAL AMENDMENT**

14 Section 9: Executive Functions.

15 a) The governor shall submit to the legislature a proposed annual balanced
16 budget for the following fiscal year. The proposed balanced budget shall describe
17 anticipated revenues of the Commonwealth and recommend expenditures of
18 Commonwealth funds. The anticipated revenues may not be increased by the
19 legislature without the consent of the governor. In preparing the proposed balanced
20 budget, the governor shall consider submissions made by the mayors of Rota, Saipan,
21 Tinian and Aguiguan, and the islands north of Saipan as to the budgetary needs of
22 those islands and by the executive assistant appointed under N.M.I. Const. art. III, §
23 18. The governor's submission to the legislature with respect to the budget shall state
24 the governor's disposition of the budgetary requests contained in these submissions
25 and may include recommended legislation with respect to taxation. If a balanced
26 budget is approved by the legislature, the governor may not reallocate appropriated
27 funds except as provided by law. If a balanced budget is not approved before the first
28 day of the fiscal year, ~~appropriations for government operations and obligations shall~~

1 be at the level for the previous fiscal year no money shall be drawn from the General
2 Fund, provided that certain government services and employees shall remain available
3 as provided by law in order to deliver services essential to the health, safety, and
4 welfare of the people of the Commonwealth and to protect against damage to and
5 destruction of property; provided further, that if the governor does not submit a
6 detailed and balanced budget to the legislature by April 1st, the governor's salary
7 shall be suspended until such time that a detailed and balanced budget is submitted to
8 the legislature, and if the legislature does not pass a balanced budget by October 1st,
9 the legislators' salaries shall be suspended until such time that a balanced budget is
10 passed by the legislature."

11 **Section 3. Adoption and Transmittal.** The Speaker of the House and the President
12 of the Senate shall certify, and the Clerks of the House and Senate shall attest to the passage
13 of this Legislative Initiative. The House Clerk shall then cause the Initiative to be transmitted
14 to the Governor and the Board of Elections. Pursuant to Article XVIII, Section 5 of the
15 Commonwealth Constitution, the Board shall place this Legislative Initiative, with the
16 Findings and Purpose section herein, before the people of the Commonwealth for ratification
17 vote in the next regular general election.

*Passed by the House of Representatives on July 10, 2008 and the Senate on July 31, 2008 by
the affirmative vote of three-fourths of the members in each house.*

CERTIFIED BY:


ARNOLD I. PALACIOS
SPEAKER OF THE HOUSE


PETE P. REYES
SENATE PRESIDENT

ATTESTED TO BY:


EVELYN C. FLEMING
HOUSE CLERK


DOLORES S. BERMUDES
SENATE CLERK



The House of Representatives
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500586
SAIPAN, MP 96950

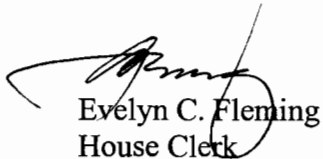
August 15, 2008

The Honorable Benigno R. Fitial
Governor
Commonwealth of the Northern Marianas
Islands
Capitol Hill
Saipan, MP 96950

Dear Governor Fitial:

I have the honor of transmitting herewith a certified copy of **H. L. I. No. 16-11, HD2**, entitled, "A House Legislative to amend Article III, Section 9(a), of the Constitution of the Northern Mariana Islands to prohibit the withdrawal of any funds from the General Fund except by appropriations made by law Article XV, Section 2(a) of the Constitution of the Northern Mariana Islands," which was passed by the Sixteenth Northern Marianas Commonwealth Legislature with an affirmative three-fourths vote of the members present and voting in each house.

Sincerely yours,


Evelyn C. Fleming
House Clerk

Attachment



The House of Representatives
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500586
SAIPAN, MP 96950

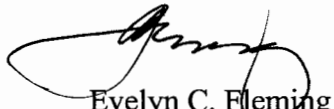
August 15, 2008

Mr. Frances M. Sablan
Chairwoman
Commonwealth Election Commission
P.O. Box 100470
Saipan, MP 96950

Dear Chairwoman Sablan:

I have the honor of transmitting herewith a certified copy of **H. L. I. No. 16-11, HD2**, entitled, "A House Legislative to amend Article III, Section 9(a), of the Constitution of the Northern Mariana Islands to prohibit the withdrawal of any funds from the General Fund except by appropriations made by law Article XV, Section 2(a) of the Constitution of the Northern Mariana Islands," which was passed by the Sixteenth Northern Marianas Commonwealth Legislature with an affirmative three-fourths vote of the members present and voting in each house, for the Commission to submit to the voters for ratification.

Sincerely yours,



Evelyn C. Fleming
House Clerk

Enclosure

cc: Julita A. Villagomez, CEC Acting Executive Director