The Honorable Oscar M. Babauta  
Speaker, House of Representatives  
Fifteenth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

The Honorable Joseph M. Mendiola  
Senate President, The Senate  
Fifteenth 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. 15-43, HS1, HD1,  
entitled, "To reform the rate of compensation for members of boards and commissions;  
and for other purposes." This bill was passed by the House of Representatives and the  
Senate of the Fifteenth Northern Marianas Commonwealth Legislature.

This bill becomes Public Law No. 15-32. Copies bearing my signature are forwarded for  
your reference.

Sincerely,

[Signature]

BENIGNO R. FITIAL

Cc: Attorney General, Office of the Attorney General  
Secretary, Department of Finance  
Special Assistant for Management and Budget  
All Boards & Commissions  
Public Auditor, Office of the Public Auditor  
Executive Director, Commonwealth’s Law Revision Commission  
Special Assistant for Programs and Legislative Review
September 11, 2006

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

September 11, 2006

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

Dear Governor Fitial:

I have the honor of transmitting herewith for your action H. B. No. 15-43, HS1, HD1, entitled: “To reform the rate of compensation for members of boards and commissions; and for other purposes.” The Bill was passed by the House of Representatives and the Senate of the Fifteenth Northern Marianas Commonwealth Legislature.

Sincerely yours,

[Signature]
Evelyn C. Fleming
House Clerk

Attachment
AN ACT

To reform the rate of compensation for members of boards and commissions; and for other purposes.

In the HOUSE OF REPRESENTATIVES

Offered by Representatives: Arnold I. Palacios and Manuel A. Tenorio

Date: February 3, 2006

Referred to: Committee on Judiciary and Governmental Operations
Public Hearing: None
Standing Committee Report No. 15-31

Passed First and Final Reading on August 1, 2006

In the SENATE

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

Passed Final Reading on September 1, 2006

Evelyn C. Fleming, House Clerk
AN ACT

To reform the rate of compensation for members of boards and commissions; and for other purposes.

BE IT ENACTED BY THE FIFTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Short Title. This Act may be cited as the "Boards and Commissions Reform Act of 2006".

Section 2. Findings and Purpose. The Commonwealth Legislature finds that the CNMI is experiencing a severe financial crisis. It is incumbent upon executive and legislative leaders to find methods of cutting the cost of doing the government's business. The Legislature further finds that the Office of the Public Auditor (OPA) conducted a survey on the practice of members of government boards and commissions with respect to compensation for attendance at board or commission meetings. OPA found that excessive and unconscionable abuse of privilege and power exist among some boards and commissions. A few boards and commissions established excessive compensation rates, additional compensation such as official representation allowance, or both. Other boards and commissions claim compensation for attendance at informal meetings or non-committee meetings, and meetings outside the Commonwealth in violation of the Open Government Act of 1992.

The Legislature finds that, serving as a member of a government board or commission is a public service; therefore, such members must conduct themselves with the utmost propriety and comply with their fiduciary duties. Each member is charged with, among other things, the fiduciary duties of good faith, trust, confidence, and candor. At a minimum, these duties require that each member comply with Commonwealth laws with respect to boards and
commissions and refrain from abusing and exploiting their privilege as a member of a
government board or commission.

The Legislature further finds that inconsistency exists among enabling statutes with
respect to the compensation of various government boards and commissions. Accordingly,
the purpose of this legislation is to: (1) create a uniform standard of compensation among
members of boards and commissions including travel and per diem rates, (2) amend the
definition of "meeting," (3) restrict certain compensation practices, and (4) hold members
accountable for the transcription and adoption of minutes of board or commission meetings.

Section 3. **Repealer and Reenactment.** 1 CMC § 8247 is repealed and reenacted to
read as follows:

"§ 8247. Compensation for Board or Commission Members of
Government Corporations and Councils.

(a) The rate of compensation for meetings attended for members of all
government corporations, councils, commissions, agencies, including but not
limited to autonomous agencies, boards, and elected municipal councils,
subject to the availability of funds and authorization of the Legislature, shall
be no more than $60 for a full-day meeting and no more than $30 for a half
day or less meeting; provided that the compensation shall not exceed a
maximum of $6,000 per year; provided further that compensation for meetings
shall be limited to those meetings open and public as required by 1 CMC §
9904 and for which notice has been published in accordance with 1 CMC §
9910. A member who is employed by the Commonwealth shall receive his
regular salary under administrative leave status in lieu of compensation for
meetings held during working hours.

(b) For the purposes of this section, a full-day is defined as not less
than four (4) hours. A half-day is defined as not less than two (2) nor more
than four (4) hours.

(c) A member shall not be compensated for attendance at a meeting
unless the minutes of that meeting have been transcribed and adopted.
(d) A member shall not receive an official representation allowance or use official representation funds between members and employees or other government agencies.

(e) A member shall not be authorized to use a government credit card for any reason whatsoever.

(f) A member traveling on official business shall receive travel and per diem compensation at the rates and guidelines established for executive branch employees.

(g) A member may receive reimbursement for extraordinary expenses actually incurred in the performance of his duties upon the submission of receipts or other proof of extraordinary expenses to the board and the specific approval of the board to reimburse the member for his extraordinary expenses; except that reimbursement for extraordinary expenses of members shall be limited to those meetings open and public as required by 1 CMC § 9904 and for which notice has been published in accordance with 1 CMC § 9910.

(h) No board or commission may reprogram non-compensatory funds for the purpose of compensating board or commission members for meetings attended.

(i) All expenditures of all boards and commissions shall be subject to a yearly audit by the Office of the Public Auditor (OPA).

(j) This section shall supersede any contrary provision of law.”

Section 4. Amendment. 1 CMC § 9902(d) is amended to read as follows:

“§ 9902. Definitions.

(d) “Meeting” means the convening of the full membership of a government corporation, council, commission, agency, board, or elected municipal council for which notice and a quorum is required in order to make a decision or to deliberate toward a decision upon a matter over which the corporation, council, commission, agency, board, or elected municipal council has supervision, control, jurisdiction, or advisory power. Standing committee
meetings, subcommittee meetings, ad hoc and informal meetings shall not be compensable. Honorarium compensation shall be considered income and shall be taxable."

Section 5. 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 6. 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 the Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence on the date this Act becomes effective.

Section 7. Effective Date. This Act shall take effect upon its approval by the Governor or becoming law without such approval.

CERTIFIED BY: 

OSCAR M. BABAUTA
Speaker of the House

ATTTESTED TO BY: 

EVELYN C. FLEMING
House Clerk

APPROVED on this 28th day of SEPTEMBER, 2006

BENIGNO R. Fitial
Governor

Commonwealth of the Northern Mariana Islands