

THIRTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

\_\_\_\_\_ SESSION, 2002

**S. B. No. 13-54**

**A BILL FOR AN ACT**

To amend 1 CMC § 7723 of the Government Safety Deposit Act to require that all government monies, funds, and revenues be deposited with financial institutions whose deposits are insured by the Federal Insurance Deposit Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC) .

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

1           Section 1. Findings. The Legislature finds that prudence dictates that all government  
2 monies, funds, and revenues shall be placed in interest bearing accounts in a local branch of a  
3 bank or savings institution whose deposits are insured by the Federal Deposit Insurance  
4 Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC).

5           Section 2. Amendment. 1 CMC § 7723 is amended to read:

6                   “§ 7723. Deposit Safety Requirements.

7                   All funds in the Commonwealth Treasury ~~may~~ must be deposited by the  
8 Secretary of Finance to the credit of the Commonwealth government in any bank which  
9 the secretary may select pursuant to this chapter and any sums so deposited shall be  
10 deemed to be in the Commonwealth Treasury; provided that the bank in which the  
11 money is deposited shall furnish and pledge security with bank assets valued at all  
12 times at 100 percent of these funds; and provided that the bank or savings institution's  
13 deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or the  
14 Federal Savings and Loan Insurance Corporation (FSLIC). Bank assets shall be in the  
15 form of United States Treasury bonds, and United States Government agency securities  
16 having readily ascertainable market value, or obligations and securities backed by the  
17 CNMI Government. United States Government agency securities are to be securities  
18 bearing the full faith and credit of the United States Government. Security shall not be

1 required for that portion of any deposit that is insured under any law of the United  
2 States.”

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

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

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

Date: 05/02/02

Introduced by: /s/  
Senator David M. Cing