

TITLE 4: ECONOMIC RESOURCES
DIVISION 5: BUSINESS REGULATION

§ 5801. Definitions.

As used in this chapter, unless a different meaning clearly appears from the context:

(a) “Furnishing of materials” includes supplying of: materials incorporated in the improvement or substantially consumed in construction operations or specially fabricated for incorporation in the improvement; building materials used during construction but not remaining in the improvement, diminished by the salvage value of the materials; transportation to bring the materials to the site of the improvement; tools, appliances, or machinery (but not including hand tools), used during the construction but not in excess of the reasonable rental value for the period of actual use.

The delivery of materials to the site of the improvement or the delivery of materials other than to the site of the improvement, but upon the written statement by the general contractor of the contractor’s agents that the materials are for a particular improvement, shall be prima facie evidence of incorporation of the materials in the improvement.

(b) “General contractor” means a person who enters into a contract with the owner for the improvement of real property.

(c) “Improvement” includes the construction, repair, alteration, of or addition to any building, structure, road, utility, railroad, or other undertaking or appurtenances thereto, and includes any building, construction, erection, demolition, excavation, grading, paving, filling in, landscaping, seeding, sodding, and planting, or any part thereof existing, built, erected, placed, made, or done on real property, or removed therefrom, for its benefit.

(d) “Labor” includes professional services rendered in furnishing the plans for or in the supervision of the improvement.

(e) “Lien” means the lien provided in 4 CMC § 5802.

(f) “Owner” means the owner of the real property or of any interest therein who enters into a contract for the improvement thereof and who may be the owner in fee of the real property or of a lesser estate therein, the lessee for a term of years therein, the person having any right, title, or interest in the real property which may be sold under legal process, or a vendee in possession under a contract for the purchase of the real property or of any such right, title, or interest therein.

(g) “Person” includes natural persons, partnerships, corporations, firms, unincorporated associations, joint ventures, and any other party recognized at law as a person.

(h) “Visible commencement of operations” means the first actual work of improvement as part of a continuous operation, or the first delivery to the site of materials to be used as part of a continuous operation in the improvement, of such manifest and substantial character as to notify interested persons that the real property is being improved or is about to be improved.

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(i) “Licensed construction contractor” means any person who has been issued a business license by the CNMI government to carry out construction or other improvements of real property.

Source: PL 10-65, § 2.

Commission Comment: PL 10-65 took effect August 1, 1997. According to PL 10-65, § 1:

Section 1. Findings. The Legislature finds that there is no mechanics’ lien law in effect in the Commonwealth, and that mechanics’ lien laws can be found in Guam and in most if not all of the fifty states. The Legislature finds that mechanics’ liens help ensure the payment to construction contractors and material suppliers of monies due in an expeditious and cost effective fashion. The Legislature finds that because the Commonwealth has no mechanics’ lien law, collection actions brought by contractors and suppliers are subject to the rules regulating all collection actions, the time it takes to recover is extensive, recoveries are often very limited, and that the end result is that construction costs are increased for everyone in the Commonwealth. The Legislature finds that in the absence of a mechanics’ lien law, qualified contractors and suppliers are discouraged from doing business in the Commonwealth and participating in the development of Commonwealth projects, thereby increasing the cost of construction in the Commonwealth because competition is limited.