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AN ACT

To establish an Advisory Commission on Revenue and Taxation, and for other purposes.

BE IT ENACTED BY THE NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1           Section 1. **Finding.** The Legislature finds that the various  
2 revenue and taxation laws of the Commonwealth do not provide a clear,  
3 comprehensive, and coordinated system of taxation to generate an  
4 appropriate amount of revenue for the operation of the Commonwealth  
5 Government.

6           Section 2 **Establishment of Commission.** (a) There is hereby  
7 established the Advisory **Commission** on Revenue and Taxation (hereinafter  
8 referred to in this Act as "**the Commission**"), which shall consist of  
9 seven members as follows:

- 10                   (1) The Director of Finance or his designee;  
11                   (2) One member to be appointed by the Saipan  
12                   Chamber of Commerce;  
13                   (3) One member to be appointed by the Governor;  
14                   (4) Two members to be appointed by the President  
15                   of the Senate; and  
16                   (5) Two members to be appointed by the Speaker  
17                   of the House of Representatives.

18                   (b) No person who is an elected official, or an officer of  
19 any **political party**, shall be **appointed** as a member of the Commission.

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1           (c) The Commission shall elect a Chairman from among  
2 its members who shall schedule and preside over meetings of the  
3 Commission. The Commission may adopt rules and operating procedures  
4 in order to facilitate its work without regard to the provisions of  
5 Title 17 of the Trust Territory Code.

6           Section 3. Quorum. Four members shall constitute a quorum for the  
7 transaction of all business of the Commission, and all matters shall be  
8 decided by a majority of those members present and voting, except that  
9 the concurrence of at least four members shall be necessary for the  
10 adoption of any report required to be transmitted pursuant to Section 6  
11 of this Act. Voting **by** proxy shall not be permitted.

12          Section 4. Compensation. Members of the Commission shall serve  
13 without compensation, but shall be reimbursed for reasonable and  
14 necessary expenses incurred in the **performance** of their duties. Costs  
15 for such reimbursement shall be divided equally among the House of  
16 Representatives, the Senate, and the Executive Branch, upon request of  
17 the Commission.

18          Section 5. Removal and Vacancies. Persons appointed as members of  
19 the Commission shall serve at the pleasure of the appointing authority.  
20 Vacancies on the Commission shall be **filled** in the same manner as the  
21 original appointment.

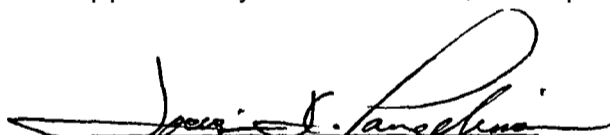
22          Section 6. Duties of the Commission. The Commission shall make a  
23 comprehensive review of **all** existing revenue and taxation laws applicable  
24 in the Commonwealth and report its findings and **recommendations** for any  
25 necessary changes in such laws which will provide adequate revenues to

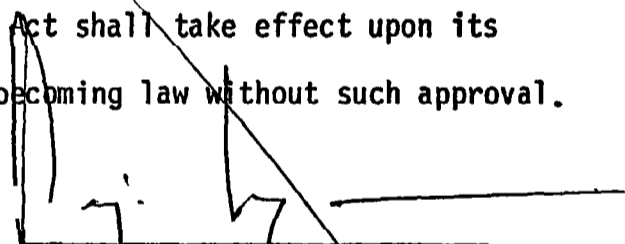
1 finance the operations of the Commonwealth Government and which will be  
2 appropriate in light of economic conditions, taking into consideration  
3 the need for incentives for economic development, the cost of living,  
4 and the median income of individuals. Such report shall include  
5 findings regarding the socio-economic impact of fully implementing the  
6 United States Internal Revenue Code in the Commonwealth. Such report  
7 shall be transmitted to the Legislature and the Governor not later than  
8 March 31, 1981.

9 Section 7. Staffing. The Commission shall not hire its own staff  
10 or contract for personal services. Reasonable staff support shall be  
11 provided by the House of Representatives, the Senate, the Department  
12 of Finance, and the Office of the Governor, upon the request of the  
13 Commission.


14 Section 8. Tenure. The Commission shall come into being on the  
15 date of the enactment of this Act, and shall cease to exist six months  
16 after transmission of its report to the Legislature and the Governor  
17 as required by Section 6 of this Act.

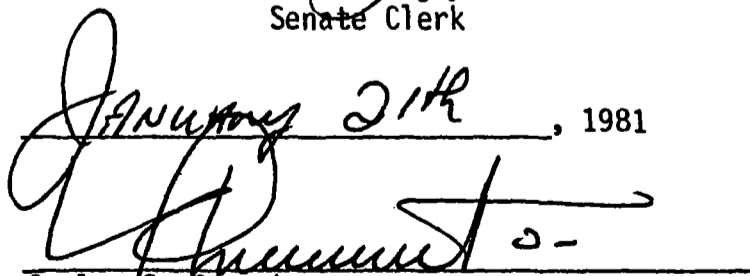
18 Section 9. Effective Date. This Act shall take effect upon its  
19 approval by the Governor, or upon its becoming law without such approval.

  
Joaquin I. Pangelinan  
Speaker

  
Benjamin T. Manglona  
Acting President

  
Esteban I. Pangelinan  
House Clerk

ATTEST:  
  
Juan Teregeyo  
Senate Clerk

  
January 21<sup>st</sup>, 1981  
Carlos S. Camacho  
Governor  
Commonwealth of the Northern Mariana Islands