

THIRD REGULAR SESSION, 1990

AN ACT

To re-establish a Task Force on Income and Sales Taxation and Business Tax Incentives, and for other purposes.

BE IT ENACTED BY THE NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1 Section 1. Findings. The Legislature makes the
2 following findings:

3 (a) That although a Task Force on Income and Sales
4 Taxation was created by Public Law 5-11 and signed into
5 law by the Governor on June 13, 1986 and extended by
6 Public Law 5-25, no report of the Task Force has been
7 transmitted to the Legislature; and

8 (b) That a thorough review of the laws and policies
9 affecting taxation in the Commonwealth is necessary to
10 assist in resolving issues of income and sales taxation
11 in the Commonwealth of the Northern Mariana Islands; and

12 (c) It is therefore necessary to dissolve the
13 present Task Force and create a new one in its place
14 with more stringent strictures upon its performance.

15 Section 2. Repealer. Public Law 5-11 is hereby
16 repealed in its entirety. The Task Force established under
17 the authority of Public Law 5-11 and extended by Public Law
18 5-25 is terminated.

1 Section 3. Establishment of Task Force.

2 (a) There is hereby established the Task Force on
3 Income and Sales Taxation and Business Tax Incentives
4 (hereinafter referred to as "the Task Force"), which
5 shall consist of nine members as follows:

6 (1) Three House appointees of the the Speaker
7 of the House of Representatives, including the
8 Chairman of the House Appropriations Committee or
9 his designee; and

10 (2) Three Senate appointees of the President
11 of the Senate, including the Chairman of the Senate
12 Fiscal Affairs Committee or his designee; and

13 (3) Three appointees of the Governor.

14 (b) The Task Force shall elect a Chairman from
15 among its members who shall schedule and preside over
16 meetings of the Task Force. The Task Force may adopt
17 rules and operating procedures in order to facilitate
18 its work without regard to the provisions of 1 CMC
19 Division 9, Chapter 1, the Administrative Procedure Act.
20 The Task Force may solicit written comments upon its
21 proposals, and may hold public hearings upon its draft
22 legislation.

23 Section 4. Quorum. Five members shall constitute a
24 quorum for the transaction of all business of the Task Force,
25 and all matters shall be decided by a majority of those

1 present and voting, except that the concurrence of at least
2 five members shall be necessary for the adoption of any
3 report required to be transmitted pursuant to Section 7 of
4 this Act. Voting by proxy shall not be permitted.

5 Section 5. Compensation. Members of the Task Force
6 shall serve without compensation, but shall be reimbursed for
7 reasonable and necessary expenses incurred in the performance
8 of their duties. Costs for such reimbursement shall be
9 divided equally among the House of Representatives, the
10 Senate, and the Executive Branch upon request of the Task
11 Force.

12 Section 6. Removal and Vacancies. Persons appointed as
13 members of the Task Force shall serve at the pleasure of the
14 appointing authority. Vacancies on the Task Force shall be
15 filled in the same manner as the original appointment.

16 Section 7. Duties of the Task Force. The Task Force
17 shall make a comprehensive review of the steps already taken
18 toward an income and sales tax system and shall recommend and
19 draft legislation necessary to implement a local system of
20 taxation, which may include income and sales tax provisions
21 and provide for the granting of business tax incentives where
22 considered appropriate for economic development in the
23 Commonwealth, and shall report its findings and
24 recommendations to the Legislature within six months after
25 the appointment of all nine (9) members. If the Task Force

1 finds that additional time is required to submit its findings
2 and recommendations to the Legislature, the Legislature may
3 extend the time by joint resolution.

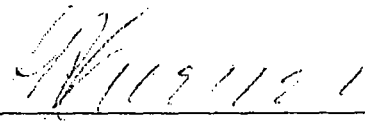
4 Section 8. Staffing. Reasonable staff support shall be
5 provided by the House of Representatives, the Senate, the
6 Department of Finance, and the Office of the Governor, upon
7 request of the Task Force. The Task Force shall work with
8 any federal officials or other professionals, who may provide
9 the Commonwealth with technical assistance in the area of
10 taxation. In the event technical assistance grants, or other
11 funding becomes available for purposes related to this Act,
12 the Task Force may contract with the private vendors for
13 staff and consulting services as it deems necessary. The
14 contracting officer and expenditure authority of the Task
15 Force shall be its Chairman.

16 Section 9. Tenure. This Task Force shall come into
17 existence on the Enactment of this Act, and shall cease to
18 exist after submitting its final report, recommendations and
19 draft legislation to the Legislature.

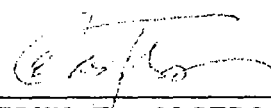
20 Section 10. Severability. If any section of this Act
21 or any regulation issued under the authority of this Act
22 should be declared invalid or unenforceable by a court of
23 competent jurisdiction, the judicial determination shall not
24 affect the validity of the Act or regulations as a whole, or
25 any part thereof, other than the particular part declared
26 invalid or unenforceable.

1 Section 11. Effective Date. This Act shall take effect
2 upon its approval by the Governor or upon its becoming law
3 without such approval.

CERTIFIED AND ATTESTED TO BY:




PEDRO R. DELEON GUERRERO
Speaker of the House



EVELYN T. CASTRO
House Clerk

APPROVED this 6th day of DECEMBER, 1990



LORENZO I. DE LEON GUERRERO
Governor
Commonwealth of the Northern Mariana Islands