

NINTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

H. B. NO. 9-467

FOURTH REGULAR SESSION, 1995

PUBLIC LAW NO. 9-50

AN ACT

To amend 4 CMC, Division 9, Chapter 2, to add a new Section 9238; and for other purposes.

BE IT ENACTED BY THE NINTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Title. This Act shall be referred to as the "Wage and Salary Review Board Act of 1995."

Section 2. Findings. The Legislature finds that the wage rates enacted under Public Law 8-21 were established pursuant to the recommendations of an administratively established Ad Hoc Committee. Among its other recommendations, the Ad Hoc Committee recommended the establishment of a Wage and Salary Review Board to review and recommend the level for the minimum wage in each major industry prior to the statutorily defined subsequent years minimum wage increases required under Public Law 8-21.

The Wage and Salary Review Board was abolished by Executive Order No. 94-3. It is the intent of this Act to re-established the Wage and Salary Review Board.

In re-establishing the Wage and Salary Review Board, it is the intention of the Legislature that the Wage and Salary Review Board set minimum wage rates in each major industry that are designed to reach as rapidly as economically feasible, the federal minimum wage without curtailing current or future employment or creating inflationary or other adverse economic and competitive conditions in major industries in the Commonwealth.

Section 3. Amendment. 4 CMC, Division 9, Chapter 2, is hereby permanently amended to add a new Section 9238 to read as follows:

"Section 9238. Wage and Salary Review Board Created; Composition; Duties and Responsibilities; Term; and Compensation.

(a) Creation. There is hereby created in the Commonwealth a Wage and Salary Review Board.

(b) Composition. The Wage and Salary Review Board shall not be subject to the board composition requirements of 1 CMC Section 2901(g). The Wage and Salary Review Board shall consist of:

- (1) The Secretary of Commerce;
- (2) The Secretary of Labor and Immigration;
- (3) One member selected by the U.S. Secretary of Labor at his

election; and

(4) One member from the business community or private sector and one member from the general public from each of the senatorial districts to be selected by the Governor. The Chairman of the Board shall be elected by the majority of all the board members.

(c) Duties and Responsibilities. The Wage and Salary Review Board shall have the following powers, duties, and functions:

(1) Based on the annual written report submitted to the Legislature, establish and set the minimum rate(s) of wages to be paid under 4 CMC §9221 in each major industry by publishing in the Commonwealth Register prior to January 1 or as early as possible after the effective date of this Act. The published minimum wage rate(s) shall provide by order that such rate(s) shall take effect upon the earlier of the expiration of 15 days after the date of such publication or January 1 of the subsequent year. Order(s) issued by the Board under this subparagraph shall define the industries and classifications therein to which such order(s) apply, and shall contain such terms and conditions as the Board finds necessary to carry out the purpose of such order(s), to prevent the circumvention or evasion thereof, and to safeguard the minimum wage rates established therein.

In determining the minimum wage rate(s) to be paid by each industry, and in determining the classifications within such industry, the Board shall establish the minimum wage rate for the industry or classifications which it determines, having due regard to economic and competitive conditions, will not substantially curtail current or future employment in the industry. No classification shall be made on the basis of age, sex, or race.

(2) Utilizing as a guideline, the methodology or criteria developed by the Special Industry Committee for American Samoa, make a comprehensive study of the social, political, and economic ramifications of an increase in the minimum wage issues in the Commonwealth;

(3) Subject to appropriated or reprogrammed funds, by the Governor from any and all sources, hire necessary staff and commission economic studies to be performed locally or in cooperation with the Federal Government;

(4) Accept and apply for federal grants related to Wage and Salary Review Board's duties;

(5) Consider competitive conditions as affected by transportation, living, and production costs;

(6) Consider employment and labor conditions and trends in the CNMI, wage rates and fringe benefits, changes in average hourly earnings or wage structure, provisions of collective bargaining agreements, hours of work, labor turnover, absenteeism, productivity, learning period, rejection rates, and similar factors;

(7) Consider market conditions and trends in the CNMI including

changes in the volume and value of production, market outlets, price changes, style factors, consumer demand, competitive relationship, tariff rates and similar market factors;

(8) Consider comparative production costs in the CNMI, U.S. and foreign countries together with factors responsible for the differences;

(9) Consider financial conditions and trends as reflected in profit and loss statements and balance sheets;

(10) Conduct public hearings and take testimony, oral or written, from different industries and interested persons to aid in its deliberations;

(11) Establish in each major industry a subcommittee, appointed by the Chairman of the Board, consisting of members in equal numbers representing employees and employers in the industry. The subcommittee shall recommend rate or rates of pay to the Board for the industry in which they are appointed to serve.

(12) Establish any appropriate wages as the Board concludes should apply.

(13) Annually review the minimum wage rate(s) and submit one comprehensive annual written report to the Legislature no later than 30 days prior to January 1 of each year, except that the Board's initial report shall be submitted to the Legislature as early as possible after the effective date of this Act. The Annual Report shall contain the Board's findings, recommendations, and decisions regarding rates, exemptions and other matters affecting minimum wage in the Commonwealth.

(d) Term. Members shall serve for four years and be subject to removal pursuant to 1 CMC Section 2901. Members may be reappointed. Vacancies shall be filled in the same manner as the original appointment. Vacancies created as a result of resignation or otherwise, prior to the expiration of the original term of appointment shall be filled in the same manner as the original appointment for the balance of the unexpired term.

(e) Compensation. The members of the Wage and Salary Review Board shall serve without salary, but shall be entitled to compensation pursuant to 1 CMC Section 8247.

(f) Quorum. A majority of all the members of the Wage and Salary Review Board shall constitute a quorum, and the decision of the Board shall require a vote of not less than a majority of all its members.

Section 4. Prohibition. The Wage and Salary Review Board shall be prohibited from rolling back the current minimum wage of \$2.75 per hour.

Section 5. Severability. If any section of this Act should be held invalid by a court of competent jurisdiction, the remainder of this Act shall not be affected thereby.

Section 6. Effective Date. This Act shall take effect upon its approval by the Governor, or upon its becoming law without such approval.

CERTIFIED BY:

ATTESTED BY:

/s/ Diego T. Benavente
DIEGO T. BENAVENTE
Speaker
House of Representatives

/s/ Evelyn C. Fleming
EVELYN C. FLEMING
House Clerk

 Approved this 6th day of September , 1995

 /s/ Froilan C. Tenorio
FROILAN C. TENORIO
Governor
Commonwealth of the Northern Mariana Islands