

NINTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

H. B. NO. 9-493

FIFTH SPECIAL SESSION, 1995

AN ACT

To amend Public Law 9-50 and to amend 4 CMC, Division 9, Chapter 2, Sections 9238 and 9221; 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 "Minimum Wage Rate Increase Postponement Act of 1995".

Section 2. Findings. The Legislature finds that Public Law 9-50, the "Wage and Salary Review Board Act of 1995" needs to be amended so that the purpose and function of the Board is limited to being purely advisory in nature to the Legislature.

The Legislature further finds that it is in the best interest of the Commonwealth for the minimum wage rate increase from \$2.75 per hour to \$3.05 per hour which is scheduled to take effect on January 1, 1996 pursuant to 4 CMC Section 9221 (c) to be postponed for six (6) months, until July 1, 1996. This six month extension will allow the Wage and Salary Review Board, as created by Public Law 9-50 and as amended by this Act, to have additional time to make additional findings, studies and recommendations to the Legislature on the issue of what impact this rate increase will have on the Commonwealth, its businesses, and its people. All other wage rate increases under 4 CMC Section 9221 shall remain unchanged as to both amount and effective date of such increases until such time as the Legislature, upon the recommendation of the Wage and Salary Review Board, may enact a different schedule.

Section 3. Amendment of Public Law 9-50. 4 CMC, Division 9, Chapter 2, Section 9238, as enacted by Public Law 9-50, is hereby repealed and reenacted as follows:

"Section 9238. Wage and Salary Review Board Created; Composition; Duties and Responsibilities; Terms; 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 seven members as follows:

(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.

The members of the Wage and Salary Review Board created by Public Law 9-50 shall be the initial members of the Board and shall continue as members of this Board with the same tenure and terms.

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

(1) Based on an annual written report submitted to the Legislature, recommend and advise the Legislature as to the minimum rate(s) of wages to be paid under 4 CMC § 9221 in each major industry. In making such recommendations to the Legislature for the minimum wage rate(s) to be paid by each industry, the Board shall recommend the classifications within such industry or classifications, having due regard to economic and competitive conditions, so that what is recommended would not substantially curtail current or future employment in the industry if adopted by the Legislature as law. No classification may be recommended on the basis of age, sex, race, or national origin.

(A) Such written report shall be submitted to the Legislature no later than June 1, 1996, and in subsequent years, at least sixty (60) days prior to the date on which the wage rate is scheduled to be increased under 4 CMC Section 9221.

(B) The Board's powers and duties as set forth in this Act are strictly advisory in nature to the Legislature, and this Act shall not be construed to provide the Board with any power to set minimum wage rates by order, rule or regulation, or otherwise.

(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 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 corporation 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 audited 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 Chariman 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) Recommend to the Legislature in an annual written report whether the rate increases set forth in 4 CMC Section 9221 are in the best interest of the Commonwealth, or, if they are not, provide the Legislature with an alternative recommendation; such annual report shall be submitted to the Legislature as provided in subsection (c)(1)(A) of this Section. This Annual Report shall contain the Board's findings and recommendations 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 re-appointed. 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 all action by the Board shall require an affirmative vote of not less than a majority of all its members."

Section 4. Legislative Action. The Legislature may by law adopt, modify, or reject the annual report of the Wage and Salary Review Board. In the event that the Legislature does not take action with respect to the annual report prior to the date of the next scheduled increase in 4 CMC Section 9221, the minimum wage rates as forth therein shall take effect.

Section 5. Amendment of 4 CMC Section 9221. 4 CMC Section 9221 is hereby amended as follows:

(a) The rate increase for 1996, under subsection (c) is hereby postponed to July 1, 1996. To this end subsection (c) is hereby repealed.

(b) Subsection (c) of 4 CMC Section 9221 is hereby reenacted effective July 1, 1996, as follows:

"In 1996 at the rate of \$3.05; provided that this increase shall not take effect until July 1, 1996;"

(c) Subsections (d) through (g) of Section 9221 shall remain in effect without amendment, such that the wage rate increases for the years 1997, 1998, 1999, and 2000 shall

continue at thirty cent increments on the first of each year unless provided otherwise by law.
Section 6. 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 7. Effective Date. Except as otherwise provided by its terms, 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

Vetoed this 29th day of December, 1995

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

Overridden by House of Representatives on : 12/29/95

Overridden by Senate : 12/30/95

Became Public Law No. 9-73 on : 12/30/95

Overridden by the House of Representatives on December 29, 1995 and the Senate on December 30, 1995 with the affirmative vote of two-thirds of the members.

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

/s/ Juan S. Demapan
JUAN S. DEMAPAN
President of the Senate