

TENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

PUBLIC LAW No. 10-67
H.B. NO. 10-287, SS 1

SECOND REGULAR SESSION, 1996

AN ACT

To provide a summary procedure for eviction of a holdover tenant or lessee and for granting of immediate possession of the property to the lessor or landlord; and for other purposes.

BE IT ENACTED BY THE TENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Short Title. This Act shall be known as "The Holdover Tenancy Act."

Section 2. Findings and Purpose. The outright sale of real property being restricted as a matter of public policy and as a constitutional mandate, the leasehold transaction over real estate has become the most common economic activity that spurs investments from both foreign and local sources. It has been observed, however, that lessors encounter delays in evicting holdover tenants after the termination of the lease or breach of the lease agreement. Currently, an action for eviction of a holdover tenant must be filed as a breach of contract complaint, in which the landlord or lessor incurs court costs and attorney's fees. This legal remedy can take months and even years, before a tenant is evicted from the leased premises and the landlord or lessor is restored to possession. These prolonged proceedings are an unfair denial of the landlords right to possession and result in considerable court costs and legal fees which are borne by the landlord. The purpose of this act is to provide for a prompt and fair summary procedure for the eviction of a holdover tenant from the leased premises.

Section 3. Application of this Act. This Act shall not apply to any lease agreement in which the CNMI government, its agencies, or instrumentalities is a party. Nothing in this Act shall be construed as in any manner impairing or affecting the right of the parties to create additional rights, duties, and obligations in and by virtue of a rental agreement. The provisions of this Act shall be in addition to all other rights allowed by law in a creditor-debtor or landlord-tenant relationship.

Section 4. Rent: Duration of Tenancies.

(a) Unless otherwise agreed, rent is payable without demand or notice; periodic rent is payable at the beginning of each rent payment period; and rent is uniformly apportionable from day to day.

(b) If the rent agreement contains no provision as to duration of the tenancy, the duration is determined by the periods for which the rent is payable. If the rent is payable weekly, then the tenancy is from week to week; if payable monthly, tenancy is from month to month; if payable quarterly, tenancy is from quarter to quarter; if payable yearly, tenancy is from year to year.

(c) When any tenancy created by an instrument in writing, the term of which is limited, has expired and the tenant holds over in the possession of the premises without renewing the lease by some further instrument in writing then such holding over shall be construed to be a tenancy at sufferance. The mere payment of or acceptance of rent shall not be construed to be a renewal of the term, but if the holding over be continued with the written consent of the lessor then the tenancy shall become a tenancy at will as described in subsection (b) above.

Section 5. Termination of Rental Agreement.

Unless otherwise agreed, a tenancy may be terminated by either party giving written notice as follows:

(a) When the tenancy is from year to year, by giving not less than 60 days' notice prior to the end of the annual period;

(b) When the tenancy is from quarter to quarter, by giving not less than 30 days' notice prior to the end of any quarterly period;

(c) When the tenancy is from month to month, by giving not less than 15 days' notice prior to the end of any monthly period; and

(d) When the tenancy is from week to week, by giving not less than 7 days' notice prior to the end of any weekly period.

Section 6. Causes for Removal of Tenants.

Any tenancy of any houses, buildings, lands or tenements, and the assigns, under tenants or legal representatives of such tenant or lessee, may be removed from the premises in the manner herein after provided in the following cases:

(a) Where such person holds over and continues in the possession of the demised premises, or any part thereof, after the expiration of his time, without the permission of the landlord.

(b) Where such person holds over without permission as aforesaid, after any default in the payment of rent pursuant to the agreement under which the premises are held, and 3 days' notice in writing requiring the payment of the rent or the possession of the premises has been served by the person entitled to the rent on the person owing the same. The service of the notice shall be by hand delivery of a true copy thereof, or, if the tenant is absent from the rented premises, by leaving a copy thereof at such place.

The 3 day notice required of this subsection shall contain a statement in substantially the following form:

You are hereby notified that you are indebted to me in the sum of _____ dollars for the rent and use of the premises _____ (address of the leased premises) _____, CNMI, now occupied by you and that I demand payment of the rent or possession of the premises within 3 days (excluding Saturday, Sunday, and legal holidays) from the date of delivery of this notice, to wit: on or before the _____ day _____ of _____, 19_____.
_____ (landlord's name, address and telephone number) _____.

(c) Where such person holds over without permission after failing to cure a material breach of the lease or oral agreement, other than nonpayment of rent, and when 15 days' written notice requiring the cure of such breach or possession of the premises has been served on the tenant. This subsection applies when the lease is silent on the matter or when the lease is an oral one. The notice may give a longer time period for the cure of the breach or surrender of the premises. In the absence of a lease provision prescribing the method for servicing notices, service shall be by hand delivery of a true copy thereof, or, if the tenant is absent from the rented premises by leaving a copy thereof at such place.

Section 7. Remedies: Tenant Holding Over. If the tenant holds over and continues in possession of the premises or any part thereof after termination of the rental agreement without the permission of the landlord, the landlord may recover possession of the premises in the manner provided in Section 8 of this Act. The landlord may also recover double the amount of rent due on the premises, or any part thereof, for the period during which the tenant refuses to surrender possession.

Section 8. Summary Possession Proceedings.

(a) Pleadings. The landlord or his attorney applying for the removal of any tenant shall file a complaint stating the facts which authorize the removal of the tenant, and describing the premises in the Superior Court in the senatorial district where the premises are situated. All defenses of law or fact shall be contained in the tenant's answer which shall be filed within 5 days after service of process. If the answer incorporates a counterclaim, the landlord shall include all defenses of law or fact in his answer to the counterclaim and shall serve it within 5 days after service of the counterclaim. No other pleadings are permitted. All defensive motions, including motions to quash, shall be heard by the court prior to trial.

(b) Discovery. Depositions on oral examination may be taken by any party at any time. Other discovery and admissions may be had only on order of court setting the time for compliance. No discovery postpones the time for trial except for good cause shown or by stipulation of the parties.

(c) Jury Trial. A jury trial is authorized, and any party may demand it in any pleading or by a separate paper served not later than 5 days after the action comes to issue. When a jury is in attendance at the close of the pleadings or the time of demand for jury trial, the action may be tried immediately; otherwise, the court shall order a special venire to be summoned immediately. If a special venire be summoned, the party demanding the jury shall deposit sufficient money with the clerk to pay the jury fees which shall be taxed as costs if the demanding party prevails.

(d) New Trial. Motion for new trial shall be filed and served within 5 days after entry of judgment. A reserve motion for directed verdict shall be renewed within the period for moving for a new trial.

(e) Appeal. Notice of appeal shall be filed and served within 30 days from the rendition of the judgment appealed from.

Section 9. Service.

(a) The summons and complaint shall be served as provided by the rules of court.

(b) If the defendant cannot be found in the senatorial district in which the action is pending and either he has no usual place of abode or there is no person of suitable age or discretion then residing therein, or there is no agent authorized by appointment or by law to receive service of process service may be made in any part of the CNMI.

(c) After at least two attempts to obtain service as provided by the rules of the court, if the defendant cannot be found in the CNMI; the officer serving process shall serve the same by attaching a copy the summons and complaint to some part of the premises involved in the proceeding (such as a wall of any store, shop, dwelling, or other building, and if none then to some permanent object thereon such as a tree or fence). The minimum time between the two attempts to obtain service shall be 6 hours.

(d) If the landlord causes, or anticipates causing, a defendant to be served with a summons and complaint solely by attaching them to some conspicuous part of the premises involved in the proceeding, the landlord shall provide the clerk of the court with two additional copies of the complaint and two prestamped envelopes addressed to the defendant. One envelope shall be addressed to such address or location as has been designated by the tenant for receipt of notice in a written lease or other agreement or, if none has been designated to the residential mailing address of the tenant, if known. The second envelope shall be addressed to the last known business address of the tenant. The clerk of the court shall immediately mail the copies of the summons and complaint by first class mail, note the fact of mailing in the docket, and file a certificate in the court file of the fact and date of mailing. Service shall be effective on the date of posting or mailing, whichever occurs later; and at least 5 working days from the date of service must have elapsed before a judgment for final removal of the defendant may be entered.

Section 10. Removal of Tenant: Judgment. If the issues are found for the plaintiff, judgment shall be entered that he recover possession of the premises. If the plaintiff expressly and specifically sought money damages in the complaint, in addition to the award of possession of the plaintiff, the court shall also direct the entry of a money judgment in favor of the plaintiff and against the defendant for the amount of money found due, owing, and unpaid by the defendant, with costs. If the issues are found for defendant judgment shall be entered dismissing the action.

Section 11. Costs and Attorney's Fees. In any civil action brought under this Act, the party in whose favor a judgment or decree has been rendered may recover reasonable court costs, including attorney's fees, from the nonprevailing party.

Section 12. Execution of Writ. After entry of judgment in favor of plaintiff the clerk shall issue a writ describing the premises and commanding the officer to whom the writ is directed to remove all persons from the premises, and put plaintiff in possession.

Section 13. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 14. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence at the date this Act becomes effective.

Section 15. 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 Representative

/s/ Evelyn C. Fleming

EVELYN C. FLEMING

House Clerk

Approved this 1st day of August, 1997

/s/ Jesus C. Borja
~~FROILAN C. TENORIO~~ JESUS C. BORJA
Acting Governor
Commonwealth of the Northern Mariana Islands