

**ELEVENTH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE**

PUBLIC LAW NO. 11-93
SENATE BILL
NO. 11-143

FIRST SPECIAL SESSION, 1999

AN ACT

To amend 4 CMC § 1708 (d)(ii) to compliment the intent of Public Law No. 11-36, to exempt from taxation any gains on transactions involving the sale of private land to the Commonwealth Government for public purpose; and for other purposes.

**BE IT ENACTED BY THE ELEVENTH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

Section 1. Findings and Purpose. The Legislature finds that the purpose of Public Law 11-36 is to relieve taxpayers from the tax consequences in transactions involving the purchase of private land for public purpose. That law inadvertently did not take into consideration the impact under the Northern Marianas Territorial Income Tax. The purpose of this amendment is to clarify that the tax relief provision under the Northern Marianas Territorial Income Tax shall apply to the sale of land to the CNMI government for public purpose.

Section 2. Amendment. Amend 4 CMC § 1708 (d)(1)(ii)(A) to read as follows:

"(A) Exempted from the definition of earnings under 4 CMC § 1202 (b)(6)."

Section 3. Amendment. Amend 4 CMC § 1708 (d)(1)(ii) by adding a new subparagraph D to read as follows:

"(D) From the sale of private land to the Commonwealth Government for public purpose."

Section 4. Amendment. Amend 4 CMC § 1708 (d)(2)(i) to read as follows:

"(A) Exempted from the definition of earnings under 4 CMC § 1202 (b)(6)."

Section 5. Application. This Act shall apply to all sales of private property to the Commonwealth Government for public purpose on or after January 1, 1994.

Section 6. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or under statutes repealed or under any rule, regulation or order adopted under the statutes.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 law.

Section 7. Severability. If any provision of this Act or the application of any such provision to any person or circumstances 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 8. Effective Date. This Act shall take effect upon its approval by the Governor or upon its becoming law without such approval.

CERTIFIED BY:

ATTESTED TO BY:

/s/ Paul A. Manglona

PAUL A. MANGLONA
PRESIDENT OF THE SENATE

/s/ Edward U. Maratita

EDWARD U. MARATITA
SENATE LEGISLATIVE SECRETARY

Approved this 13th day of August, 1999.

/s/ Pedro P. Tenorio

PEDRO P. TENORIO
GOVERNOR
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS