

AN ACT

To amend 4 CMC § 1708 to ensure equitable treatment between landowners who receive public land from the government in exchange for their private land and those who receive cash compensation from the government in exchange for their private land; and for other purposes.

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

Section 1. Findings and Purpose. The Legislature finds that private landowners who received cash compensation from the Commonwealth government in exchange for their private land were required to pay tax on such gains, while landowners who received public land in exchange for their private land were not required to pay tax. This inequity was partially remedied by Public Laws 11-36 and 11-93. The purpose of this act is to further remedy this inequity by providing a 100 percent tax rebate on taxes paid on cash compensation received from the sale of private land to the government on or after January 1, 1994.

Section 2. Amendment. 4 CMC § 1708(b)(1) is amended to add a new subsection (iii) to read:

"(iii) In the case of a taxpayer who paid tax pursuant to the Revenue and Taxation Act of 1982, as amended, on cash compensation received from the sale of the taxpayer's private land to the Commonwealth government for a public purpose on or after January 1, 1994, the *rebate offset base* is the amount paid by the government to the landowner notwithstanding subsection (c) of this section, and the *rebate offset amount* is 100 percent of the rebate offset base."

Section 3. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract, under statutes repealed, or under any rule, regulations or order adopted under the statutes.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 on the date this Act becomes effective.

Section 4. 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 which is held invalid shall not be affected thereby.

Section 5. Effective Date. This Act shall take effect upon approval by the Governor or upon its becoming law without such approval.

CERTIFIED BY:

/s/ Benigno R. Fitial
BENIGNO R. FITIAL
SPEAKER OF THE HOUSE

ATTESTED TO BY:

/s/ Evelyn C. Fleming
EVELYN C. FLEMING
HOUSE CLERK

Approved this 25th day of August, 2000

/s/ Pedro P. Tenorio
PEDRO P. TENORIO
GOVERNOR
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS