

TWELFTH NORTHERN **MARIANAS** COMMONWEALTH LEGISLATURE

THIRD REGULAR SESSION, 2001

Public Law No. 12-71

SENATEBILL

NO. 12-123. SD1, CD1

AN ACT

To make amendments to the Board of **Public** Lands Act of 2000, **I CMC** § 101 (a), Section 102, **§ 104 (h)** and **§ 106 (d)**; **and** for **other** purposes.

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

Section 1. Findings. The Legislature **finds** that questions have arisen to the extent of the powers and duties of the Board of Public Lands. It is **the** intent of the Legislature that the Board of **Public** Lands be **given** broad powers over its operations, and the leasing of public lands.

Section 2. Amendment?

(a) **I CMC § 101** (a) as enacted by the Board of Public Lands Act of 2000 (**H.B. No. 12-257**), is hereby amended as follows:

“(a) There is established within the **Executive** Branch an independent **public** corporation of the Commonwealth of the Northern **Mariana** Islands, a public corporation to be **known** as the Marianas Public Lands Authority. The **office** of Marianas Public Lands Authority shall be headed by Commissioner of **Marianas** Public Lands Authority **and** Deputy Commissioner for each **Senatorial** District. **All** other Division of the Marianas Public Lands Authority shall be **headed** by the Division Chief. **The** Commissioner shall serve at the pleasure **of the** Board of Directors. Each Deputy Commissioner shall be appointed by the Board of **Directors**. This Public Corporation is established under the control and general supervision of **the** Board of Directors **to** execute, implement and enforce the policies, **decisions**, orders, rules and regulations of the Board. The Board of Directors shall serve every five years with **three serving** four **and two** serving **five years**. The present board is not effected by this amendment upon **effective** of this Act.”

(b) 1 CMC Section 102 as enacted by the Board of Public Lands Act of 2000 (H.B. No. 12-257), is hereby amended to include a new subsection (c) to read as follows:

“(c) The Board of Directors may select, employ, promote and terminate employees, employ contractors and consultants, employ legal counsels, sue and be sued in its own name, provide **liability** insurance as it considers **necessary**, make contracts, borrow money within the limitations contained in Article X of the Constitution of the Northern Mariana **Islands**, and take any **other** action necessary for the management or disposition of surface and submerge public lands.”

(c) 1 CMC § 104 (h) as enacted by the Board of Public Lands Act of 2000 (H.B. No. 12-257), is hereby amended to read as follows:

“(h) The Board of Directors shall receive **all** moneys from **public** lands except those **from** lands in which freehold interest has been transferred to another agency of government pursuant to section 104 (c), and shall: transfer these moneys after the end of **fiscal** year to the **Marianas** Public Land Trust except that the Board of Directors shall retain the amount ‘necessary to meet reasonable expenses of administration and management, land surveying, homestead development, and any other expenses reasonably necessary for the accomplishment of its functions. It shall prepare and submit a budget as a government corporation pursuant to 1 CMC § 7206.”

(d) 1 CMC § 106 (d) as enacted by the Board of Public Lands Act of 2000 (H.B. No. 12-257), is hereby amended to read as follows:

(d) The Board of Directors **shall** maintain records documenting the basis of rental computations for public lands leases. Minimum annual rental payments for **all** public **land** lease for commercial purposes **shall** not be less than eight percent (8%) of the appraised fair market value of the public land except where otherwise provided by the terms **of** a valid lease in effect prior to October 23, 1998; The Board of Directors, however, shall have the power to negotiate lease rental at rates, not less than 2% that take into consideration the current economic condition of the Commonwealth and or the economic benefits to be derived therefrom. This discretion of the Board of Directors in negotiating lease rentals **shall** take into consideration the following but not necessarily limited to, rental reduction due to the present economic climate in the Commonwealth, reduction in lease rentals during development and construction phases of any commercial development on public

lands, and reduction in rentals for non-profit learning institutions, **which** reduction in lease rentals is deemed. an economic incentive for a developer to proceed in completing the development intended with less burden. The Board of Directors may set the minimum annual lease rentals at two percent **(2%)**, but not **less than**, of the appraised fair market value of the lease **of public** lands during the development and construction phases, **pursuant** to the terms of commercial lease or non-profit lease. as the case may be, entered into after the effective date **of this Act**. Following the completion of the construction **of** the development in accordance with the terms of a lease, the Board of Directors shall increase the minimum annual rates at one percent (1%) per year until the minimum of eight percent (8%) is attained and, in that event, the increment thereafter **shall** be based on eight percent (8%) of the **current** appraised fair market value of the leased public land. Such increment shall be made at every five-year interval or period during the term of a lease, and shall be computed and **collected** by the Board of Directors. The Board of Directors may, at its discretion, insert a provision in any lease entered into after the effective date of this Act, requiring lessee to pay additional rentals to be based on at least a minimum of three percent (3%) of the business gross receipts of a commercial lease, which additional gross receipt rentals shall be computed and collected by the **Board** as additional rentals if the gross receipt rentals exceed the minimum annual base rentals. This, however, **shall** not preclude the Board of Directors **from** immediately imposing the appraised fair **market** value of any **leased** public land for commercial development **if**, in the opinion of the Board of Directors, the lessee of that public land has not made reasonable effort in completing the development project in accordance with the construction **schedule** set forth in the lease. The Board of Directors shall establish procedures for the regular **appraisal** of all public lands leased for commercial purposes which. ensure that the fair market value basis for computation of minimum annual rental payments for any given lease is updated every five (5) years or **such** other period as provided in valid leases in effect prior to October 23, **1996**. That all local fanner(s) for grazing and farming may obtain five years permit and additional five years upon approval by the Board of **Directors**. Except for commercial use, farming and grazing shall be charged not more than \$5.00 per hectares. Failure of the Board of Directors to comply with the

requirements stated herein shall not relieve any lessee of the obligation to pay the minimum rentals prescribed herein.*

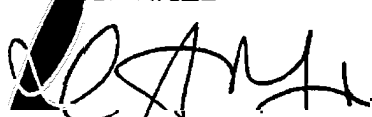
Section 3. Compensation for Board of Directors. The Board of Directors shall be compensated and receive \$300.00 per day when attending off-island Board of Directors meetings within the Northern Mariana Islands **Senatorial** District. The Board of Directors meeting at his/her own Senatorial District shall receive **\$150.00** per day. Any Board of Directors traveling outside of the Commonwealth of the Northern Mariana Islands shall receive the establish Government Rate.

Section 4. 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 5. 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 6. Effective Date. This Act shall take effect upon its approval by the Governor, or upon its becoming law without such approval.

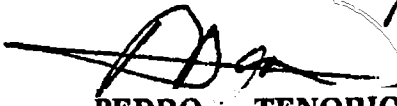
CERTIFIED BY:


PAUL A. MANGLON
President of the Senate

ATTESTED BY:


JOAQUIN A. ADRIANO
Senate Legislative Secretary

Approved this *13th* day of *November*, 2001


PEDRO A. TENORIO
Governor
Commonwealth of the Northern Mariana Islands