

THIRTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

THIRD SPECIAL SESSION, 2003

PUBLIC LAW NO.13-59  
H. B. NO. 13-284, HD1

---

---

AN ACT

TO AMEND 4 CMC § 1401(g) AS ENACTED BY PUBLIC LAW 13-42, TO EXEMPT EDUCATIONAL MATERIALS SUCH AS BOOKS AND COMPUTERS FROM THE .42 PERCENT AD VALOREM ASSESSED ON ALL CONSUMER GOODS; AND FOR OTHER PURPOSES.

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

**Section 1. Findings and Purposes.** The Legislature finds that the Environmental Beautification Tax imposed on all consumer goods is adversely impacting the ability of public and private schools in the CNMI to pay for educational materials and equipment, such as books, textbooks, and computers as well as assistive devices such as wheelchairs and hearing aids for students. As currently defined in 4 CMC § 1401(g), consumer goods includes educational materials, such as books and computers. The additional assessment of a .42 percent ad valorem on these types of educational materials will impede the ability of schools to purchase textbooks or other educational materials at a time when schools are struggling to meet the needs of students. Furthermore, the tax may also significantly increase the cost for the Public School System's Special Education Program to provide hearing aides, wheelchairs and braces. Therefore, the Legislature finds that an exemption must be provided for goods that are purchased for educational purposes.

**Section 2. Amendment.** 4 CMC § 1401(g) as enacted by Public Law 13-42 is hereby amended as follows:

"(g) 'Consumer goods' means all products, goods and materials entering the CNMI, including but not limited to vehicles, retail products, garment material, construction material and all goods that have any form of packaging that will be disposed of or that has a limited useful life after which it will be disposed: provided that this definition shall not include foodstuffs

and medicine for sale or otherwise, and goods, products, and materials identified in 4 CMC § 1402 (b)(2), (b)(3), (b)(4) and (c)."

**Section 3. 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 4. 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 the 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 5. Effective Date.** This Act shall take effect upon its approval by the Governor, or upon becoming law without such approval.

**CERTIFIED BY:**

**ATTESTED TO BY:**

/s/ \_\_\_\_\_  
**HEINZ S. HOFSCHEIDER**  
SPEAKER OF THE HOUSE

/s/ \_\_\_\_\_  
**EVELYN C. FLEMING**  
HOUSE CLERK

**Approved this 15<sup>th</sup> day of September, 2003**

/s/ \_\_\_\_\_  
**JUAN N. BABAUTA**  
**GOVERNOR**  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS