



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Eloy S. Inos
Governor

Ralph DLG. Torres
Lieutenant Governor

OCT 28 2015

Honorable Joseph P. Deleon Guerrero
Speaker, House of Representatives
Nineteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

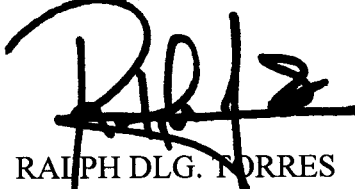
Honorable Victor B. Hocog
Senate President, The Senate
Nineteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Mr. Speaker and Mr. President:

This is to inform you that I have signed into law House Bill No. 19-47, HD1, entitled, "To amend Title 4, Division 5, Chapter 5, by amending Section 5553 and 5602 to deter the sale and/or resale of products purchased or obtained from the Army and Air Force Exchange Service ("AAFES") and to authorize the Commonwealth Department of Commerce, Division of Alcohol Beverage and Tobacco Control, to enforce this Act; and for other purposes.", which was passed by the House of Representatives and the Senate of the Nineteenth Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 19-15**. Copies bearing my signature are forwarded for your reference.

Sincerely,



RAIPH DLG. TORRES
Acting Governor

cc: Governor; Attorney General's Office; Public Auditor; Special Assistant for Administration;
Special Assistant for Programs and Legislative Review



House of Representatives

19th NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500586
SAIPAN, MP 96950


September 29, 2015

The Honorable Eloy S. Inos
Governor
Commonwealth of the Northern
Mariana Islands
Capitol Hill
Saipan, MP 96950

Dear Governor Inos:

I have the honor of transmitting herewith for your action **H. B. No. 19-47, HD1**, entitled: "To amend Title 4, Division 5, Chapter 5, by amending Section 5553 and 5602 to deter the sale and/or resale of products purchased or obtained from the Army and Air Force Exchange Service ("AAFES") and to authorize the Commonwealth Department of Commerce, Division of Alcohol Beverage and Tobacco Control, to enforce this Act; and for other purposes.", which was passed by the House of Representatives and the Senate of the Nineteenth Northern Marianas Commonwealth Legislature.

Sincerely yours,



Linda B. Muña
House Clerk

Attachment



*Nineteenth Legislature
of the
Commonwealth of the Northern Mariana Islands*
IN THE HOUSE OF REPRESENTATIVES

First Special Session

April 9, 2015

Representative Edwin K. Propst, of Saipan, Precinct 1 (*for himself*, Representatives Roman C. Benavente, George N. Camacho, Joseph P. Deleon Guerrero, Lorenzo I. Deleon Guerrero, and Ralph N. Yumul) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H. B. No. 19-47, HD1

AN ACT

TO AMEND TITLE 4, DIVISION 5, CHAPTER 5, BY AMENDING SECTION 5553 AND 5602 TO DETER THE SALE AND/OR RESALE OF PRODUCTS PURCHASED OR OBTAINED FROM THE ARMY AND AIR FORCE EXCHANGE SERVICE (“AAFES”) AND TO AUTHORIZE THE COMMONWEALTH DEPARTMENT OF COMMERCE, DIVISION OF ALCOHOL BEVERAGE AND TOBACCO CONTROL, TO ENFORCE THIS ACT; AND FOR OTHER PURPOSES.

The Bill was referred to the House Committee on Commerce and Tourism, which submitted Standing Committee Report 19-25; adopted July 23, 2015.

THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON FIRST AND FINAL READING, JULY 24, 2015;
with amendments in the form of H. B. 19-47, HD1 and transmitted to the
THE SENATE.

The Bill was not referred to a Senate Committee.

THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, SEPTEMBER 18, 2015;
without amendments.

H. B. 19-47, HD1 WAS RETURNED TO THE HOUSE OF REPRESENTATIVES ON SEPTEMBER 22, 2015.

THE BILL WAS FINALLY PASSED ON JULY 24, 2015.



Linda B. Muña, House Clerk



*Nineteenth Legislature
of the
Commonwealth of the Northern Mariana Islands*
IN THE HOUSE OF REPRESENTATIVES

Second Day, Sixth Special Session

July 24, 2015

H. B. No. 19-47, HD1

AN ACT

TO AMEND TITLE 4, DIVISION 5, CHAPTER 5, BY AMENDING SECTION 5553 AND 5602 TO DETER THE SALE AND/OR RESALE OF PRODUCTS PURCHASED OR OBTAINED FROM THE ARMY AND AIR FORCE EXCHANGE SERVICE (“AAFES”) AND TO AUTHORIZE THE COMMONWEALTH DEPARTMENT OF COMMERCE, DIVISION OF ALCOHOL BEVERAGE AND TOBACCO CONTROL, TO ENFORCE THIS ACT; AND FOR OTHER PURPOSES.

Be it enacted by the Nineteenth Northern Marianas Commonwealth Legislature:

1 **Section 1. Short Title.** This Act may be cited as the “Army and Air Force Exchange
2 Service (AAFES) Fraud and Abuse Prevention Act of 2015”.

3 **Section 2. Findings and Purpose.** The Legislature finds that some businesses
4 licensed to sell alcoholic beverages, tobacco products and other merchandise are engaged in
5 the improper selling and/or reselling of products obtained from the Army and Air Force
6 Exchange Service (“AAFES”) and that AAFES products contain a unique Bar Code that is
7 distinct from the Bar Codes on products sold by local distributors and wholesalers. The

HOUSE BILL 19-47, HD1

1 Legislature also finds that AAFES exists solely for the use and benefit of its authorized
2 patrons identified as (1) Active Duty Military, (2) Retirees, (3) Reservists, (4) National Guard
3 Personnel, (5) U.S. Department of Defense Employees (when stationed outside of the
4 continental U.S.), (6) Department of State Officials serving in foreign countries, or (7) any
5 dependents of the above who have been issued ID cards.

6 Furthermore, AAFES prohibits its patrons from the following: (1) making (or
7 purchasing for the purpose of making) a sale, exchange, transfer, or other disposition of
8 exchange products or services to unauthorized patrons (customary gifts of a personal nature
9 are permissible); (2) using exchange merchandise or services to produce income; (3) making
10 purchases for the purpose of resale by, or on behalf of, an installation private organization or
11 other non-government entity or private individual. The Legislature further finds that those
12 engaging in the sale and/or resale of AAFES products do so to the detriment of the
13 distributors, wholesalers and retailers engaging in legitimate transactions who are forced to
14 compete with the below market price of the AAFES merchandise. There are no current
15 provisions that would serve as both a deterrent and punishment for these activities that are
16 harmful to both the business community and the general welfare of the Commonwealth.

17 The purpose of this Act is to punish and deter the sale and/or resale of products —
18 alcoholic and non-alcoholic beverages, tobacco products and other items—obtained from
19 AAFES, and to provide authority to the Commonwealth Department of Commerce,
20 Alcoholic Beverage and Tobacco Control Division, to enforce this Act.

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1 **Section 3. Amendment.** Title 4, Division 5, Chapter 5, § 5553 is hereby amended
2 as follows:

3 “§5553. Unauthorized Untaxed Items: Possession and Offer for Sale
4 Forbidden.

5 A licensee shall not keep or offer for sale upon the premises any alcoholic
6 beverages and/or untaxed items other than those in which he or she may deal by
7 his/her license. This includes but is not limited to the following:

8 (a) A licensee, his/her agent or employee shall not sell or display for
9 the purposes of selling or promoting any alcoholic beverage, non-alcoholic
10 beverage, tobacco product or other merchandise purchased or otherwise
11 obtained from the Army and Air Force Exchange Service.

12 (b) No person shall resale any alcoholic beverage, non-alcoholic
13 beverage, tobacco product, or other merchandise purchased or otherwise
14 obtained, from the Army and Air Force Exchange Service.

15 (c) A licensee, his agent or employee who violates subsection (a) or
16 (b) of this section—in addition to any civil or criminal penalties shall be fined
17 \$2,000 for each violation of this section.

18 (1) The Secretary of the Department of Commerce shall immediately
19 revoke any and all licenses previously issued by the ABTC Division to the
20 licensee if, within a 2 year period following a conviction for violating
21 4 CMC §5553 (a) or (b), the licensee, his/her agent, or employee is convicted
22 of a subsequent violation.

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1 (2) Any person or licensee who has been convicted 2 or more times
2 within a 2 year period of violating 4 CMC §5553 (a) or (b) shall be deemed
3 unfit to hold any class of license under this chapter for a period of 5 years
4 from the date of the most recent conviction.

5 (d) Any person, not listed in subsection (c) of this section, who violates
6 subsection (b) of this section shall be fined \$2,000 for each violation of this section.

7 (e) One Hundred Percent (100%) of the total fines collected shall hereby, be
8 appropriated to the Department of Commerce.”

9 **Section 4. Severability.** If any provisions of this Act or the application of any such
10 provision to any person or circumstance should be held invalid by a court of competent
11 jurisdiction, the remainder of this Act or the application of its provisions to persons or
12 circumstances other than those to which it is held invalid shall not be affected thereby.


13 **Section 5. Savings Clause.** This Act and any repealer contained herein shall not be
14 construed as affecting any existing right acquired under contract or acquired under statutes
15 repealed or under any rule, regulation, or order adopted under the statutes. Repealers
16 contained in this Act shall not affect any proceeding instituted under or pursuant to prior law.
17 The enactment of the Act shall not have the effect of terminating, or in any way modifying,
18 any liability, civil or criminal, which shall already be in existence on the date this Act
19 becomes effective.

HOUSE BILL 19-47, HD1


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

Attested to by: 
Linda B. Muña, House Clerk

Certified by: 
SPEAKER JOSEPH P. DELEON GUERRERO
House of Representatives
19th Northern Marianas Commonwealth Legislature

APPROVED this **28th** day of **OCTOBER**, 2015


RALPH DLG. TORRES
Acting Governor
Commonwealth of the Northern Mariana Islands