

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Eloy S. Inos
Governor

Jude U. Hofschneider
Lieutenant Governor

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

The Honorable Ralph DLG. Torres
Senate President
Eighteenth 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law, House Bill 18-2, HD1, SD2, entitled, "To repeal Title 4 sections 1971 and 1972 of the Commonwealth Code which were originally enacted as public laws 17-29, 17-58, and 17-75 in their entirety and to amend Title 4 sections 1803 and 1502(a) to increase the Hotel Occupancy Tax," which was passed by the Eighteenth Northern Marianas Commonwealth Legislature.

I commend the legislature for taking a proactive approach in reviving our sole economic driver. This measure allows the Marianas Visitors Authority to be more competitive with other destinations in promoting the CNMI through increased marketing efforts and much needed destination enhancements. Increase in tourism activities translates to more job opportunities for our residents, more revenue for our government, and overall prosperity for our Commonwealth.

It is imperative that we continue to develop and nurture tourism, and be cognizant of the fact that our livelihoods are dependent on our tourists. So once again, I commend the legislature for showing its "Hafa Adai" spirit by passing this critical measure.

This bill becomes **Public Law No. 18-1**. Copies bearing my signature are forwarded for your reference.

Sincerely,

A handwritten signature in black ink, appearing to read 'ELOY S. INOS', with a stylized flourish at the end.

ELOY S. INOS

CC: Lt. Governor
Attorney General's Office
MVA
Press Secretary, Office of the Governor
Special Assistant for Programs & Legislative Review
All Departments and Agencies



House of Representatives
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500586
SAIPAN, MP 96950

February 7, 2013

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**H. B. 18-2, HD1, SD2**, entitled: "To repeal Title 4 sections 1971 and 1972 of the Commonwealth Code which were originally enacted as public laws 17-29, 17-58 and 17-75 in their entirety and to amend Title 4 sections 1803 and 1502(a) to increase the Hotel Occupancy Tax.", which was passed by the House of Representatives and the Senate of the Eighteenth Northern Marianas Commonwealth Legislature.

Sincerely yours,



Linda B. Muña
House Clerk

Attachment



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

First Regular Session

January 22, 2013

Representative George N. Camacho, of Saipan, Precinct 4 (*for himself*, Representatives Ralph N. Yumul) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H.B. 18-2

AN ACT

TO REPEAL TITLE 4 SECTIONS 1971, AND 1972 OF THE COMMONWEALTH CODE WHICH WERE ORIGINALLY ENACTED AS PUBLIC LAWS 17-29, 17-58, AND 17-75 IN THEIR ENTIRETY AND TO AMEND TITLE 4 SECTIONS 1803 AND 1502 (A) TO INCREASE THE HOTEL OCCUPANCY TAX.

The Bill was referred to the House Committee Tourism on January 22, 2013, which submitted Standing Committee Report 18-1, adopted by the House on February 26, 2013.

THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON FIRST AND FINAL READING, FEBRUARY 26, 2013;
with amendments in the form of H. B. 18-2, 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, FEBRUARY 28, 2013;
with amendments in the form of H. B. 18-2, HD1, SD2.

H. B. 18-2, HD1, SD1 WAS RETURNED TO THE HOUSE OF REPRESENTATIVES ON MARCH 6, 2013.

THE HOUSE OF REPRESENTATIVES ACCEPTED THE SENATE AMENDMENTS AND PASSED H. B. 18-2, HD1, SD2, DURING ITS 5TH DAY, FIRST REGULAR SESSION ON MARCH 8, 2013.

A handwritten signature in black ink, appearing to be "L. Muña", written over a horizontal line.

Linda B. Muña, House Clerk



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

Fifth Day, First Regular Session

March 8, 2013

H. B. 18-2, HD1, SD2

AN ACT

TO REPEAL TITLE 4 SECTIONS 1971 AND 1972 OF THE COMMONWEALTH CODE WHICH WERE ORIGINALLY ENACTED AS PUBLIC LAWS 17-29, 17-58 AND 17-75 IN THEIR ENTIRETY AND TO AMEND TITLE 4 SECTIONS 1803 AND 1502(A) TO INCREASE THE HOTEL OCCUPANCY TAX.

Be it enacted by the Eighteenth Northern Marianas Commonwealth Legislature:

1 **Section 1. Findings and Purpose.** The Legislature hereby finds and declares that the
2 Commonwealth relies heavily, and will continue to rely heavily, on the tourist industry as a
3 primary source of private employment and public revenues. Thus, it is imperative that our
4 destination be enhanced for the benefit of all, and marketed to potential tourists such that they
5 will be aware of all the Commonwealth has to offer. In order to attract tourists to the
6 Commonwealth, to retain existing businesses and industry, and to advance the business
7 prosperity and economic welfare of the Commonwealth, it is necessary to have enhanced
8 recreational and tourism opportunities.

1 Therefore, in order to promote recreation and tourism, the Legislature finds that
2 public financial support should be provided for constructing, equipping, improving and
3 maintaining project, agencies and facilities which promote recreation and tourism.

4 Public support is also required to effectively market the Commonwealth as the
5 premier destination it is. The Legislature finds that such support is a public purpose for
6 which funds may be expanded.

7 The Legislature finds it appropriate to pay for such support by collecting a fee from
8 transients who pay for lodging in a room of the hotel, lodging motel, resort hotel, apartment
9 motel, or condominium located in the Commonwealth.

10 The Legislator finds and declares that this Act is necessary and is a proper use of the
11 legislative power granted by the Commonwealth Constitution.

12 **Section 2. Repealer.** The following public laws are hereby repealed:

13 a. Public Law 17-75, entitled "To Amend Public Law 17-29 as amended by
14 Public Law 17-58 To Establish an Environmental and Tourism Promotional Fee" which is
15 codified at 4 CMC section 1971 and section 1972; and

16 b. Public Law 17-58 entitled "An Act to Amend Public Law 17-29 to Extend
17 Application of the Tourism Incentive Program to Other Southeast Asian Markets, to
18 Establish a Customs Quarantine Tourism Revolving Fund; and for other purposes" which is
19 codified at 4 CMC section 1972.

20 **Section 3. Amendment.** Subject to codification by the Law Revision Commission,
21 Title 4 of the Commonwealth Code section 1502(a), is amended to read as follows:

1 “(a) An occupancy tax is imposed upon transient occupants of a room
2 or rooms in a hotel, lodging, motel, resort motel, apartment motel, or
3 condominium located in the Commonwealth. The tax shall be 15 percent of
4 the amount charged or paid for the accommodations.”

5 **Section 4. Repealer and Re-enactment.**

6 (a) Public Law 17-29 entitled “To Establish the Japan Air Service
7 Stabilization Program; and for other purposes” is hereby repealed with the exception
8 of those provisions of said law that were codified as 4 CMC section 1803.

9 (b) Title 4 section 1803 is hereby repealed and re-enacted as follows:

10 “The Marianas Visitors Authority shall receive twenty percent (20.0%) of the
11 taxes collected under 4 CMC §1405(b) and eighty percent (80.0%) of the taxes
12 collected under 4 CMC §1502. Twenty percent (20.0%) of the taxes collected under
13 4 CMC §1502 and thirty percent (30.0%) of the taxes collected under 4 CMC
14 §1405(b) shall be allotted and paid to the Northern Mariana Islands Retirement
15 Fund.”

16 **Section 5. Enactment.** Subject to codification by the Law Revision Commission, the
17 following new provisions are hereby enacted:

18 “Section 101. There is hereby established a Marianas Visitors Authority Trust
19 Fund (MVA Trust Fund) administered by the Secretary of Finance into which
20 revenues entitled to the Marianas Visitors Authority pursuant to Title 4 CMC §1803
21 shall be deposited. The MVA Trust Fund shall be separated from the CNMI General
22 Fund. Within 10 working days after the filing deadline, Department of Finance must

1 remit MVA's entitlements to the MVA Trust Fund. Provided, however, that the
2 Secretary of Finance may withhold up to 2.5 percent of the funds deposited pursuant
3 to this Section for the purpose of funding revenue and tax personnel to enforce the
4 provisions of this Act and other Commonwealth tax laws. The tax personnel shall
5 include at least one FTE for Tinian and one FTE for Rota.

6 Section 102. The Marianas Visitors Authority shall expend no more than five
7 percent (5.0%) of the funds per fiscal year from MVA Trust Fund for destination
8 enhancement programs.

9 Section 103. Provided that not more than two percent (2.0%) or \$400,000 of
10 the funds per fiscal year from the MVA Trust Fund, shall be equally divided and
11 remitted to the Municipalities of Tinian and Rota to be used to implement charter
12 flight tourism incentives and promotional programs. The expenditure authority of
13 these funds shall be the respective mayors of each island.

14 Section 104. Unexpended funds in a fiscal year may be set aside by the Board
15 of Directors of the Marianas Visitors Authority (MVA Board) in a special account for
16 future use in the promotion of the Northern Marianas and/or destination enhancement
17 programs. These unexpended funds shall not be remitted back to the central
18 government and shall remain the property of the Marianas Visitors Authority.


19 Section 105. The expenditure authority of those funds under Section 5 §101,
20 §102 and §104 shall be the Chairperson of the Board of Directors of the Marianas
21 Visitors Authority through an approved plan by the MVA Board.”

1 **Section 6. Severability.** If any provisions of this Act or the application of any such
2 provision to any person or circumstance should be held invalid by a court of competent
3 jurisdiction, the remainder of this Act or the application of its provisions to persons or
4 circumstances other than those to which it is held invalid shall not be affected thereby.

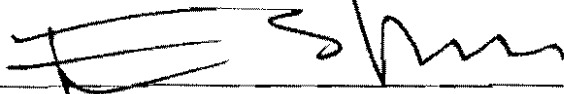
5 **Section 7. Savings Clause.** This Act and any repealer contained herein shall not be
6 construed as affecting any existing right acquired under contract or acquired under statutes
7 repealed or under any rule, regulation, or order adopted under the statutes. Repealers
8 contained in this Act shall not affect any proceeding instituted under or pursuant to prior law.
9 The enactment of the Act shall not have the effect of terminating, or in any way modifying,
10 any liability, civil or criminal, which shall already be in existence on the date this Act
11 becomes effective.

1 **Section 8. Effective Date.** This Act shall take effect upon its approval by the
2 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
18th Northern Marianas Commonwealth Legislature

~~Approved~~ this 11TH day of MARCH, 2013


ELOY S. INOS
Governor
Commonwealth of the Northern Mariana Islands