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

Honorable Ralph DLG. Torres
Senate President, The Senate
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 No. 18-118, SD1, SD2, CCD1, entitled, “To gradually increase the tax on cigarettes,” which was passed by the House of Representatives and the Senate of the Eighteenth Northern Marianas Commonwealth Legislature.

This bill becomes Public Law No. 18-64. Copies bearing my signature are forwarded for your reference.

Sincerely,

[Signature]
ELOY S. INOS

cc: Lt. Governor; Lt. Governor’s Legal Counsel; Attorney General’s Office; Department of Public Works; Commonwealth Healthcare Corporation; Commonwealth Cancer Association; Northern Marianas Islands Retirement Fund; Public Auditor; Special Assistant for Administration; Special Assistant for Programs and Legislative Review
August 8, 2014

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. 18-118, SD1, SD2, CCD1, entitled: “To gradually increase the tax on cigarettes.”, 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
Representative Rafael S. Demapan, of Saipan, Precinct 2 (for himself, Representatives Antonio R. Agulto, Trenton B. Conner, Francisco S. Dela Cruz, Mariano Taitano, and Ramon A. Tebuteb) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H. B. No. 18-118, SD1, SD2, CCD1

AN ACT

TO GRADUALLY INCREASE THE TAX ON CIGARETTES.

The Bill was referred to the House Committee on Ways and Means, which submitted Standing Committee Report 18-80; adopted on December 19, 2013.

THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON FIRST AND FINAL READING, DECEMBER 19, 2013; without amendments and transmitted to the SENATE.

The Bill was referred to the Senate Committee on Fiscal Affairs, which submitted Standing Committee Report 18-54; adopted on May 28, 2014.

THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, MAY 28, 2014; with amendments in the form of H. B. 18-118, SD1, SD2.

H. B. 18-118, SD1, SD2 WAS RETURNED TO THE HOUSE OF REPRESENTATIVES ON MAY 30, 2014.

The House of Representatives rejected the Senate amendments and the Bill was sent to Conference, which submitted Conference Committee Report 18-5.

THE BILL WAS FINALLY PASSED ON JULY 31, 2014.

Linda B. Muña, House Clerk
H. B. 18-118, SD1, SD2, CCD1

AN ACT

TO GRADUALLY INCREASE THE TAX ON CIGARETTES.

Be it enacted by the Eighteenth Northern Marianas Commonwealth Legislature:

Section 1. Findings. Cigarette smoking results in a high cost to society in increased illness and a reduction in life expectancy. U.S. Centers for Disease Control & Prevention estimates show that total smoking-caused health costs and lost productivity totals more than $10.28 per pack nationwide. The highest combined state-local tax rate is $5.85 in New York City, with the rest of New York State at $4.35 per pack. The average state cigarette tax is now $1.46 per pack. In order to discourage cigarette smoking, the Legislature finds that it is appropriate to gradually increase the cigarette tax from $2.00 per pack to $2.75 per pack for three years after the effective date of this Act; thereafter, the cigarette tax shall be increased to $3.75 per pack.

Section 2. Amendment. 4 CMC §1402 (a) (16) is amended to read as follows:

"§1402 (a) General. For the privilege of first sale, use, manufacture, lease or rental of goods, commodities, resources, or merchandise in the Commonwealth for business purposes or for personal use exceeding the value specified in subsection (c) of this section, there is imposed an excise tax as follows:

(16) Cigarettes, $2.75 (two dollars and seventy-five cents) per every twenty cigarettes, or fractional equivalent thereof, for three years after effective date of this
Act thereafter, $3.75 (three dollars and seventy-five cents) per every twenty cigarettes
or fractional equivalent thereof;”

Section 3. Amendment. 4 CMC §1402 (g) is amended to read as follows:
“(1) Seven percent of excise taxes collected under this section shall be
reserved for the solid waste management program and shall be deposited into the
Solid Waste Management Revolving Fund.

(2) Three percent of excise taxes collected under this section shall be reserved
for cancer treatment and programs and shall be deposited into a Cancer Fund Special
Account, separate from the General Fund, to be appropriated to provide financial
assistance to non-profit and governmental organizations that provide patient directed
services for the prevention of cancers, its treatment, diagnosis, and other services that
may be required to access treatment, including, but not limited to, off-island
transportation and temporary housing.

(3) Fifty percent of all excise taxes collected under 4 CMC §1402 (a) (16)
shall be deposited into an account to fund the payment of the Commonwealth
Government’s share of the Group Health and Life Insurance benefits and for
enforcement.”

Section 4. Severability. If any provisions 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 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 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
18th Northern Marianas Commonwealth Legislature

Approved this 16th day of September, 2014

ELOY S. INOS
Governor
Commonwealth of the Northern Mariana Islands