



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Eloy S. Inos
Governor

Jude U. Hofschneider
Lieutenant Governor

16 SEP 2014

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

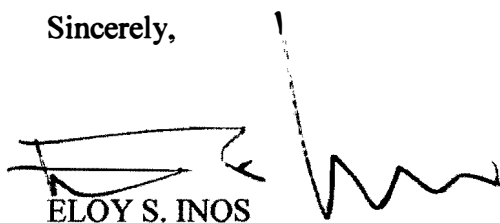
Honorable Ralph DLG. Torres
Senate President, The Senate
Eighteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

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,


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



House of Representatives

18th NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

P.O. BOX 500586
SAIPAN, MP 96950

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 cigarettés.", 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

Second Regular Session

August 27, 2013

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
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.

A handwritten signature in black ink, appearing to be "L. Muña".

Linda B. Muña, House Clerk



*Eighteenth Legislature
of the
Commonwealth of the Northern Mariana Islands*

IN THE HOUSE OF REPRESENTATIVES

SECOND DAY, FOURTH SPECIAL SESSION

JULY 31, 2014

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:**

1 **Section 1. Findings.** Cigarette smoking results in a high cost to society in increased
2 illness and a reduction in life expectancy. U.S. Centers for Disease Control & Prevention
3 estimates show that total smoking-caused health costs and lost productivity totals more than
4 \$10.28 per pack nationwide. The highest combined state-local tax rate is \$5.85 in New York
5 City, with the rest of New York State at \$4.35 per pack. The average state cigarette tax is
6 now \$1.46 per pack. In order to discourage cigarette smoking, the Legislature finds that it is
7 appropriate to gradually increase the cigarette tax from \$2.00 per pack to \$2.75 per pack for
8 three years after the effective date of this Act; thereafter, the cigarette tax shall be increased
9 to \$3.75 per pack.

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

11 “§1402 (a) *General.* For the privilege of first sale, use, manufacture, lease or
12 rental of goods, commodities, resources, or merchandise in the Commonwealth for
13 business purposes or for personal use exceeding the value specified in subsection (c)
14 of this section, there is imposed an excise tax as follows:

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

HOUSE BILL 18-118, SD1, SD2, CCD1

1 Act thereafter, \$3.75 (three dollars and seventy-five cents) per every twenty cigarettes
2 or fractional equivalent thereof;"

3 **Section 3. Amendment.** 4 CMC §1402 (g) is amended to read as follows:

4 "(1) Seven percent of excise taxes collected under this section shall be
5 reserved for the solid waste management program and shall be deposited into the
6 Solid Waste Management Revolving Fund.

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

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

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

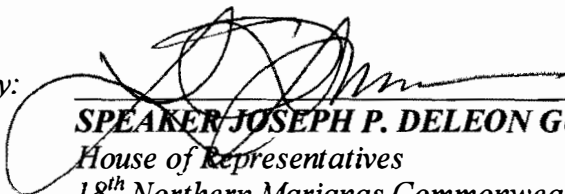
22 **Section 5. Savings Clause.** This Act and any repealer contained herein shall not be
23 construed as affecting any existing right acquired under contract or acquired under statutes
24 repealed or under any rule, regulation or order adopted under the statutes. Repealers
25 contained in this Act shall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

HOUSE BILL 18-118, SD1, SD2, CCD1

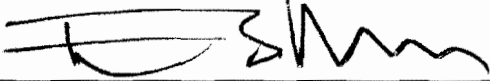
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Section 6. Effective Date. This Act shall take effect upon its approval by the Governor, or its becoming law without such approval.

Attested to by: 
Linda B. Muña, House Clerk

Certified by: 
SPEAKER JOSEPH P. DELEON GUERRERO
House of Representatives
18th Northern Marianas Commonwealth Legislature

~~APPROVED~~ this 16th day of September, 2014


ELOY S. INOS
Governor
Commonwealth of the Northern Mariana Islands