

Arnold I. Palacios
Governor



David M. Apatang
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

GOV 2024-159

08 JAN 2024

The Honorable Edmund S. Villagomez
Speaker, House of Representatives
Twenty-Third Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

The Honorable Edith E. Deleon Guerrero
President of the Senate
Twenty-Third Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Mr. Speaker and Madame President:

This is to inform you that I have signed into law **House Bill No. 23-35, HS1, SS1**, entitled, "To enact a provision to provide tax incentives for employers who hire individuals with special needs.", which was passed by the House of Representatives and the Senate of the Twenty-Third Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 23-15**. Copies bearing my signature are forwarded for your reference.

Sincerely,


ARNOLD I. PALACIOS
Governor

cc: Lieutenant Governor; Attorney General; Commonwealth Law Revision;
Public Auditor; Secretary of Labor; Secretary of Finance;
Special Assistant for Administration; Programs and Legislative Review Office



Public Law No. 23-15
TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
HOUSE OF REPRESENTATIVES

P.O. BOX 500586
SAIPAN, MP 96950
cnmileg.net

December 15, 2023

The Honorable Arnold I. Palacios
Governor
Commonwealth of the Northern
Mariana Islands
Capitol Hill
Saipan, MP 96950

Dear Governor Palacios:

I have the honor of transmitting herewith for your action **H. B. No. 23-35, HS1, SS1**, entitled: "To enact a provision to provide tax incentives for employers who hire individuals with special needs.", which was passed by the House of Representatives and the Senate of the Twenty-Third Northern Marianas Commonwealth Legislature.

Sincerely yours,


Linda B. Muña
House Clerk

Attachment





TWENTY-THIRD NORTHERN MARIANA COMMONWEALTH LEGISLATURE IN THE HOUSE OF REPRESENTATIVES

FIRST REGULAR SESSION

MARCH 31, 2023

REPRESENTATIVE THOMAS J. DLC. MANGLONA OF SAIPAN, PRECINCT 5 AND DIEGO V. F. CAMACHO OF SAIPAN, PRECINCT 1 (*for themselves*, Representatives Roy C.A. Ada, Blas Jonathan "BJ" T. Attao, Joel C. Camacho, Joseph A. Flores, Marissa R. Flores, Julie M. A. Ogo, Malcolm J. Omar, and John Paul P. Sablan) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H. B. No. 23-35, HS1, SS1

AN ACT

**TO ENACT A PROVISION TO PROVIDE TAX INCENTIVES
FOR EMPLOYERS WHO HIRE INDIVIDUALS WITH SPECIAL
NEEDS.**

IN THE HOUSE OF REPRESENTATIVES

The Bill was referred to the House Committee on Ways and Means, which submitted
Standing Committee Report 23-22; adopted 6/20/2023.

**THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON
FIRST AND FINAL READING, JUNE 20, 2023;**

with amendments in the form of H. B. No. 23-35, HS1 and transmitted to **THE SENATE.**

IN THE SENATE

The Bill was referred to the Senate Committee on Fiscal Affairs, which submitted
Standing Committee Report 23-60; adopted 11/13/2023.

THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, NOVEMBER 13, 2023;

with amendments in the form of H. B. No. 23-35, HS1, SS1
and returned to **THE HOUSE OF REPRESENTATIVES.**

The House of Representatives accepted the Senate amendments and passed H. B. No. 35, HS1, SS1 during its
Tenth Day, Second Regular Session on December 14, 2023.

**H. B. No. 23-35, HS1, SS1 IS DULY PASSED BY THE TWENTY-THIRD NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE.**


Linda B. Muña, House Clerk



TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
IN THE HOUSE OF REPRESENTATIVES

TENTH DAY, SECOND REGULAR SESSION
DECEMBER 14, 2023

H. B. No. 23-35, HS1, SS1

AN ACT

**TO ENACT A PROVISION TO PROVIDE TAX INCENTIVES
FOR EMPLOYERS WHO HIRE INDIVIDUALS WITH
SPECIAL NEEDS.**

**BE IT ENACTED BY THE TWENTY-THIRD NORTHERN
MARIANAS COMMONWEALTH LEGISLATURE:**

1 **SECTION 1. FINDINGS AND PURPOSES.**

2 The Legislature finds that many individuals with disabilities in our Commonwealth are
3 faced with difficulties in accessing employment, restrooms, transportation, and other essential
4 public services. The Legislature also finds that the Americans with Disabilities Act (ADA) of
5 1990 was enacted as the nation's first comprehensive civil rights law addressing the needs of
6 people with disabilities. This legislation addressed issues regarding discrimination in
7 employment, public services, public accommodations, and telecommunications for people with
8 disabilities. It afforded similar protections against discrimination to Americans with disabilities
9 as the Civil Rights Act of 1964, which prohibits discrimination based on race, religion, sex,

HOUSE BILL 23-35, HS1, SS1

1 national origin, and other characteristics. As a U.S. jurisdiction, it is essential to ensure that our
2 citizens with special needs are protected and enabled to enjoy the rights that are afforded to
3 them by the Americans with Disabilities Act of 1990.

4 The Legislature further finds that many individuals with disabilities in the CNMI are
5 eager and determined to be part of the workforce. Many of these individuals are not only highly
6 educated but also highly capable to establish themselves and be positive contributors to our
7 society. The Legislature also finds that it would be appropriate to provide incentives for
8 employers to hire these individuals. A nonrefundable tax credit will give these businesses an
9 incentive to provide a suitable platform for this special group of individuals to showcase their
10 skills and feel empowered to be positive contributors to our society.

11 Therefore, the purpose of this Act is to enact a provision to provide tax incentives for
12 employers who hire individuals with disabilities.

13 **SECTION 2. ENACTMENT.**

14 Subject to codification by the CNMI Law Revision Commission, the following new
15 section is added to Title 4, Division 1, Chapter 3 of the Commonwealth Code as follows:

16 **“§ xxx. Long-Term Disability Employment Tax Credit.**

17 (a) Any employer who hires an individual with a disability, as defined by the
18 Americans with Disabilities Act of 1990, as amended (42 U.S.C. § 12101 et seq.),
19 may qualify for a non-refundable tax credit of 40% of the wages paid to such worker
20 against the tax imposed on employer’s total gross revenue.

21 (b) In order to qualify for the tax credit provided for in § xxx (a), the individual
22 must be continuously employed by the employer for nine (9) months. The individual

HOUSE BILL 23-35, HS1, SS1

1 may be employed part-time or full-time. The tax credit shall be capped at \$4,000 per
2 employer per tax year for all the employer's eligible employees. This cap shall increase
3 by \$1,000 for each tax year thereafter, to a maximum of \$10,000.

4 (c) To obtain the nonrefundable tax credit, the employer must furnish to the
5 Division of Revenue and Taxation a properly documented compliance letter for each
6 individual issued by any medically acceptable clinic and/or laboratory. Further, the
7 employer shall annually certify compliance with all provisions of this section to the
8 Secretary of Labor.

9 (d) The Secretary of Labor shall have the authority to certify all qualified
10 employers in accordance with subsection (b)."

11 **SECTION 3. REGULATIONS.**

12 The Secretary of Labor in collaboration with the Secretary of Finance shall promulgate
13 the necessary regulations to carry out the intent of this Act. The regulations shall be completed
14 within 6 months after this Act becomes law.

15 **SECTION 4. SEVERABILITY.**

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

20 **SECTION 5. SAVINGS CLAUSE.**

21 This Act and any repealer contained herein shall not be construed as affecting any
22 existing right acquired under contract or acquired under statutes repealed or under any rule,

HOUSE BILL 23-35, HS1, SS1

1 regulation, or order adopted under the statutes. Repealers contained in this Act shall not affect
2 any proceeding instituted under or pursuant to prior law. The enactment of the Act shall not
3 have the effect of terminating, or in any way modifying, any liability, civil or criminal, which
4 shall already be in existence on the date this Act becomes effective.

SECTION 6. EFFECTIVE DATE.

5
6 This Act shall take effect upon its approval by the Governor, or it becoming law without
7 such approval.

Attested to by:


Linda B. Muña, House Clerk

Certified by:


SPEAKER EDMUND S. VILLAGOMEZ
House of Representatives
23rd Northern Marianas Commonwealth Legislature

Approved this 8th day of January, 2024



ARNOLD I. PALACIOS
Governor
Commonwealth of the Northern Mariana Islands