

Twentieth Northern Marianas Commonwealth Legislature

IN THE HOUSE OF REPRESENTATIVES

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Regular Session, 2017

H. B. 20-32

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**A BILL FOR AN ACT**

To amend the Developer Infrastructure Tax to bear the cost of the new and additional infrastructure needed to meet the growing demands of our economy; and for other purposes.

**BE IT ENACTED BY THE TWENTIETH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:**

1           **Section 1. Findings and Purpose.** Public Law 8-23, the Developer  
2 Infrastructure Tax Act of 1993, codified at 4 CMC § 1931 *et seq.*, established the  
3 Developer Infrastructure Tax for the Commonwealth. The amount of two percent  
4 of the total cost of a new development was to imposed on a developer, 4 CMC §  
5 1934. The taxes collected were earmarked for infrastructure improvements,  
6 including (1) electrical systems, (2) water systems, (3) sewerage systems, (4) road,  
7 drainage and flood control systems, and (5) solid waste management systems, in  
8 the senatorial district where the development is located pursuant to 4 CMC §  
9 1939(a). The Legislature finds that CNMI Public Law No. 8-23 was enacted with  
10 the purpose of providing new revenues to defray the costs of essential  
11 infrastructures within the CNMI.

12           The Legislature finds that the Commonwealth is presently experiencing  
13 renewed economic growth. New investors have acquired real property in the

1 Commonwealth and plan to build new hotels, water parks, restaurants, shopping  
2 centers, and other commercial buildings. Furthermore, new and large  
3 developments will take a toll on our aging infrastructure system including the  
4 power, water, waste water, roads, drainage, and solid waste management systems,  
5 existing public infrastructure in the Commonwealth is in short supply to serve the  
6 level of development in the Commonwealth. Existing tax resources and other  
7 sources of public funds are insufficient to finance the infrastructure needed to  
8 serve proposed and expected development within the CNMI.

9 Therefore, the Legislature finds that additional revenues are required to  
10 meet the infrastructure demands of existing and new development within our  
11 growing economy. It is the purpose of this Act to amend the Developer  
12 Infrastructure Tax to bear the cost of the costs of new and additional infrastructure  
13 needed to meet the growing demands of our economy.

14 **Section 2. Amendment.** Title 4, Division 1 § 1934 is hereby amended to  
15 read as follows:

16 “§ 1934. Developer Tax.

17 There is hereby imposed upon a developer, as defined by this chapter, a  
18 tax in the amount of ~~two~~ four percent (4 %) of the total project cost of new  
19 development, as defined in this chapter.”

20 **Section 3. Severability.** If any provisions of this Act or the application of  
21 any such provision to any person or circumstance should be held invalid by a  
22 court of competent jurisdiction, the remainder of this Act or the application of its

1 provisions to persons or circumstances other than those to which it is held invalid  
2 shall not be affected thereby.

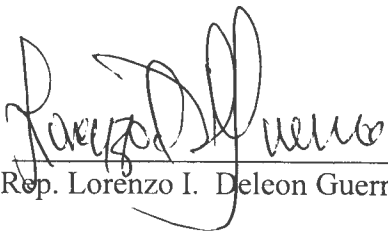
3           **Section 4. Savings Clause.** This Act and any repealer contained herein  
4 shall not be construed as affecting any existing right acquired under contract or  
5 acquired under statutes repealed or under any rule, regulation, or order adopted  
6 under the statutes. Repealers contained in this Act shall not affect any proceeding  
7 instituted under or pursuant to prior law. The enactment of the Act shall not have  
8 the effect of terminating, or in any way modifying, any liability, civil or criminal,  
9 which shall already be in existence on the date this Act becomes effective.

10           **Section 5. Effective Date.** This Act shall take effect upon its approval by  
11 the Governor, or its becoming law without such approval.

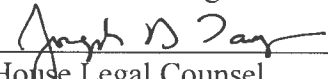
Prefiled: 1/30/17

Date: 1/30/17

Introduced by:

  
Rep. Lorenzo I. Deleon Guerrero

Reviewed for Legal Sufficiency by:

  
House Legal Counsel