


 GOV. COMM. 12-73  
 (HOUSE)

**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**

 Pedro P. Tenorio  
 Governor

 Jesus R. Sablan  
 Lt. Governor

 Caller Box 10007  
 Saipan, MP 96950  
 Telephone: (670) 664-2200  
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 The Honorable Benigno R. Fitial  
 Speaker, House of Representatives  
 Twelfth Northern Marianas  
 Commonwealth Legislature  
 Saipan, MP 96950

AUG 25 2000

 The Honorable Paul A Manglona  
 Senate President  
 Twelfth 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. 12-131, entitled, "To amend 4 CMC § 1708 to ensure equitable treatment between landowners who received public land and those who receive cash compensation from the government in exchange for their private land, and for other purposes," which was passed by the Twelfth Northern Marianas Commonwealth Legislature.

Although I sign this bill into law, I note that during our review of the bill, we discovered the omission of critical language in the bill. The omission, which I am sure was an oversight, could lead to serious misinterpretation of the bill at odds with the stated intent of the bill and also at some significant potential liability to the Commonwealth Treasury. I refer you to the enclosed comments on the bill made by the Department of Finance dated July 20, 2000. There is also the issue of retroactivity, referenced in the Department of Finance memorandum, which the Legislature may want to revisit.

However, during my discussion with members of the Legislature, I was assured that the Legislature is already in the process of amending this bill with the necessary changes.

This bill becomes **PUBLIC LAW 12-16**. Copies bearing my signature are forwarded for your reference.

Sincerely,

A handwritten signature in black ink, appearing to be "Pedro P. Tenorio", written over a horizontal line.

Enclosure

 CC: Secretary, Department of Lands & Natural Resources (Division of Public Lands)  
 Secretary, Department of Finance; Special Assistant for Programs & Legislative Review

**HOUSE OF REPRESENTATIVES**  
Twelfth Northern Mananas Commonwealth Legislature

*PUBLIC LAW NO. 12-16*  
**HOUSE BILL NO. 12-131**

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**AN ACT**

To amend 4 CMC § 1708 to ensure equitable treatment between landowners who received public land and those who receive cash compensation from the government in exchange for their private land, and for other purposes.

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**Offered by Representative(s):** Heinz S. Hofschneider,  
Martin B. Ada, Jesus T. Attao, David M. Apatang, Diego T. Benavente, and  
Thomas B. Pangelinan

**Date:** March 17,2000

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**HOUSE ACTION**

**Referred to:** Committee on Natural Resources

**Standing Committee Report:** 12-078

**First and Final Reading:** March 21,2000

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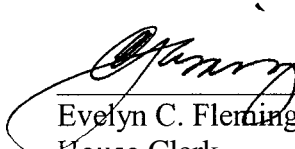
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**SENATE ACTION**

**Referred to:** Committee on Fiscal Affairs

**Standing Committee Report:** None

**Second and Final Reading:** June 27,2000

  
Evelyn C. Fleming  
House Clerk

TWELFTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

FIRST REGULAR SESSION, 2000

*PUBLIC LAW NO. 12-16*  
**H. B. NO. 12-131**

**AN ACT**

To amend 4 CMC § 1708 to ensure equitable treatment between landowners who receive public land from the government in exchange for their private land and those who receive cash compensation from the government in exchange for their private land; and for other purposes.

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

1           Section 1. Findings and Purpose. The Legislature finds that private landowners who  
2 received cash compensation from the Commonwealth government in exchange for their  
3 private land were required to pay tax on such gains, while landowners who received public  
4 land in exchange for their private land were not required to pay tax. This inequity was  
5 partially remedied by Public Laws 11-36 and 11-93. The purpose of this act is to further  
6 remedy this inequity by providing a 100 percent tax rebate on taxes paid on cash  
7 compensation received from the sale of private land to the government on or after January 1,  
8 1994.

9           Section 2. Amendment. 4 CMC § 1708(b)(1) is amended to add a new subsection  
10 (iii) to read:

11                       “(iii) In the case of a taxpayer who paid tax pursuant to the Revenue and  
12 Taxation Act of 1982, as amended, on cash compensation received from the sale of  
13 the taxpayer’s private land to the Commonwealth government for a public purpose on  
14 or after January 1, 1994, the *rebate offset base* is the amount paid by the government  
15 to the landowner notwithstanding subsection (c) of this section, and the *rebate offset*  
16 *amount* is 100 percent of the rebate offset base.”

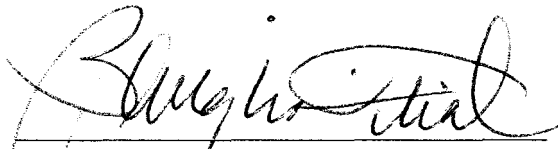
1 Section 3. Savings Clause. This Act and any repealer contained herein shall not be  
2 construed as affecting any existing right acquired under contract, under statutes repealed, or  
3 under any rule, regulations or order adopted under the statutes. Repealers contained in this  
4 Act shall not affect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

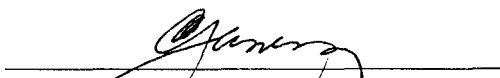
7 Section 4. Severability. If any provision of this Act or the application of any such  
8 provision to any person or circumstances should be held invalid by a court of competent  
9 jurisdiction, the remainder of this Act or the application of its provisions to persons or  
10 circumstances other than those which is held invalid shall not be affected thereby.


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

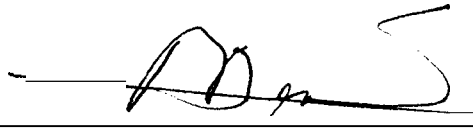
**CERTIFIED BY:**

**ATTESTED TO BY:**

  
\_\_\_\_\_  
**BENIGNO R. FITIAL**  
SPEAKER OF THE HOUSE

  
\_\_\_\_\_  
**EVELYN C. FLEMING**  
HOUSE CLERK

 this 25<sup>th</sup> day of August, 2000

  
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**PEDRO P. TENOFUO**  
GOVERNOR  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS