

TITLE 2: NATURAL RESOURCES
DIVISION 4: LAND RESOURCES

§ 4973. Requirements.

Any such proceeding pursuant to this section must comply with, and is subject to, the following requirements:

(a) Any corporation shall be considered eligible to acquire permanent and long-term interests in real property in the Commonwealth if it met or meets the applicable four criteria set forth in N.M.I. Const. art. XII, § 5 at such times as it acquired or acquires such interest. In conformity with N.M.I. Const. art. XII, § 5, beneficial title shall not be severed from legal title, and record proof of stock ownership and percentage of directors of Northern Marianas descent shall be conclusive as to which persons are directors or shareholders.

(b) Clear and convincing proof shall be required to disregard the corporate entity status of a corporation for purposes of divesting current owners or lessees of their interests in real property. The court may impose sanctions on any party or counsel bringing a proceeding on the basis of proof which could not have been reasonably believed to be clear and convincing.

(c) In any proceeding to invalidate the title or interest of any transferee of real property from a corporation pursuant to N.M.I. Const. art. XII, evidence of the conduct of the corporation or any persons associated with it, which conduct occurred after the transfer of the property interest from the corporation to any other person, may not be admitted or in any way considered for the purpose of establishing that the corporate entity should be disregarded.

(d) The prevailing party, whether plaintiff or defendant, in any action pursuant to N.M.I. Const. art. XII in which an attempt is made to have the court disregard the corporate entity status of a corporation shall be entitled to an award of reasonable attorney fees.

(e) The provisions of this article shall apply to all real property transactions involving corporations heretofore or hereafter entered into, and shall govern in all proceedings in which a final judgment, not subject to further appeal, has not been entered prior to October 29, 1993.

Source: PL 8-32, § 7 (§ 4943).