

**TITLE 4: ECONOMIC RESOURCES**  
**DIVISION 1: REVENUE AND TAXATION**

**§ 1411. Environmental Beautification Tax.**

(a) Notwithstanding any other provision of law, a tax at the rate of .42 percent ad valorem is hereby assessed on all consumer goods as defined in [§ 1401\(f\)](#). The tax shall be collected by the Division of Customs at the point of entry.

(b) The Environmental Beautification Tax is suspended for the duration of the declaration of disaster to the same extent as the exemptions from excise tax provided in [4 CMC § 1402\(c\)\(13\)](#).

**Source:** [PL 13-42](#), § 7, modified; [PL 19-04](#), § 3 (Sept. 3, 2015), modified.

**Commission Comment:** [PL 13-42](#) became effective December 19, 2002 and established the Solid Waste Revolving Fund, codified as [2 CMC § 3551](#). PL 13-42 contained findings and purposes, severability, and savings clause provisions. According to [PL 13-42](#):

Section 2. Findings and Purposes. The Legislature finds that the NMI Constitution guarantees every person within the Commonwealth a clean and healthy environment. It further finds that maintaining the environment is in the best interest of all citizens of the Commonwealth, and is essential to the maintenance of a healthy tourist industry. The Legislature acknowledges that in order to preserve our islands, the Commonwealth must provide for the adequate management of solid waste, minimizing litter and illegal dumping, and eliminating the pollution that results from the improper disposal of potentially hazardous wastes such as used oil, car batteries, and tires.

With the completion of the new Integrated Solid Waste Management System for Saipan and the upgrading of the solid waste management facilities on Tinian and Rota, the costs of the environmentally sound management of solid waste in the Commonwealth will continue to increase and the development of an adequate funding source to partially cover the increased costs is essential to the economic well being of our residents.

In addition, the Legislature finds that the diversion of solid waste from disposal, and the preservation of our limited landfill capacity, is in the best interest of the Commonwealth, and that providing a stable, long term funding source is essential to developing projects maximizing diversion such as recycling and composting.

The proper closure of the Puerto Rico Dump, including the transformation of the site into a public park, is not only an environmental requirement but an economic necessity given the current site's location and its impact on tourism. The Legislature finds that existing Capital Improvement funding resources are inadequate to properly pay for the costs of closure and that identifying other sources of funding is essential to complete final closure and reclamation of the current site.

The Legislature further finds that an established source of revenue must be identified for use as financial assurance in the event of the

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necessity of closing one or more of the cells at the Marpi Landfill at any time in the future.

Therefore, the Legislature finds that in order to insure long term contractual mechanisms can be developed for the operation of the new landfill, provide a stable funding source for recycling and composting activities, provide an established potential funding source for any future financial assurance that may be required to close one or more cells at the Marpi Landfill, and to contract for alternative (private sector) funding of the closure of the PRD, a special revolving fund must be established. Revenue sources must be clearly identified for deposit into the revolving fund.

Therefore, it is also the intent of this Act to establish a Solid Waste Management Revolving Fund into which ten percent of the revenue generated by [4 CMC § 1402](#), any tipping fees collected from any Commonwealth solid waste management facility, solid waste user fees assessed directly on residents and businesses, advance disposal fees and any other sources of funding, such as federal grants or loans for solid waste management, shall be deposited.

While the Legislature finds that only with clearly identified revenue sources will the Commonwealth be able to meet future demands, it is also clear that the Commonwealth finds itself in a period of fiscal limitations. The diversion of general fund revenue for solid waste management poses hardships for other vital government programs. Therefore, it is clear to the Legislature that any revenue source earmarked for deposit into a special revolving fund for solid waste management must be offset in the general fund so that funding one critical service does not adversely impact another equally vital program. The Division of Solid Waste Management within the Department of Public Works in consultation with the Governor's Solid Waste Management Task Force estimate [sic] that funding for all aspects of solid waste management within the Commonwealth requires approximately \$3.8 million per annum. This funding can be achieved from a combination of earmarking of existing excise taxes, collection of tipping fees and other future solid waste management assessments, as well as grant revenues. It is intended that utilization of general fund revenue in addition to the earmarking be kept at a minimum. However, future needs may require such appropriation. To assure available revenue if such appropriation is necessary and to offset revenue earmarked for the special revolving fund additional revenue sources must be established. It has been determined that by imposing a tax rate of .42% ad valorem on all consumer goods as defined therein, approximately \$3,000,000 can be generated under present economic conditions. This translates into forty-two cents per \$100 of consumer goods brought into the CNMI. Therefore, it is the intent of the Legislature to establish an Environmental Beautification Tax for deposit into the General Fund to off-set the earmarked portion of the excise taxes deposited into the Solid Waste Management Revolving Fund.

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[PL 19-04](#) became effective September 3, 2015. See Commission Comment to 4 CMC § 1402. The Commission designated the leading paragraph as “(a)” and designated the amendment paragraph from PL 19-04 as “(b)” pursuant to 1 CMC § 3806(a). The Commission struck the comma following “Tax” in subsection (b) pursuant to 1 CMC § 3806(g).

[PL 19-46](#) became effective on May 30, 2016. The Commission changed the reference “4 CMC § 1402(c)(14).” in subsection (b) to “4 CMC § 1402(c)(13).” to agree with the renumbered section pursuant to [1 CMC § 3806\(c\)](#).