

**TITLE 4: ECONOMIC RESOURCES**  
**DIVISION 5: BUSINESS REGULATION**

**§ 51101. Definitions.**

As used in this Act, unless the context clearly indicates otherwise:

(a) “Authority” means the Commonwealth Free Trade Zone Authority established by this Act.

(b) “Board” means the Board of Directors of the Commonwealth Free Trade Zone Authority.

(c) “CNMI” or “Commonwealth” means the Commonwealth of the Northern Mariana Islands and the geographic area of which it is comprised, and may include the Commonwealth government.

(d) “Chambers of Commerce” means the Saipan Chamber of Commerce and any other Chamber of Commerce organized in and for the Commonwealth or any part thereof and includes any non-profit entity organized to promote business, commercial, or economic interests, whether denominated as a chamber of commerce or not, provided that the membership thereof is non-exclusive and the entity is not organized to promote any particular private, familial, or personal interest.

(e) “CPA” means the Commonwealth Ports Authority.

(f) “Domestic merchandise” means tangible and intangible property of every description entering the free trade zone from within the customs territory of the CNMI.

(g) “Foreign merchandise” means tangible and intangible property of every description entering the free trade zone from outside the customs territory of the CNMI.

(h) “Free Trade Zone(s)” or “Zone(s)” means the free trade zones established pursuant to this Act.

(i) “General Fund” means the chief operating fund for the Commonwealth used to account for all financial resources except those required to be accounted for in another fund.

(j) “Legislative delegation” means the legislative delegations from each senatorial district as defined by 1 CMC § 1401 (a).

(k) “Person” means any individual, estate, firm, corporation, company, joint venture, association, partnership, trust, receiver, club, syndicate, cooperative association or any other entity.

(l) “Public Land” means all real property the title to which is held by the Commonwealth government, any branch, department, agency, instrumentality, public corporation, or political subdivision thereof, and includes, except to the extent that title has passed to private parties, that real property described by Section 801 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, those lands described by Sections 1 of Article XI of the Commonwealth Constitution, and lands in which freehold interest has been transferred to an agency of the Commonwealth government pursuant to Section 5 of Article XI of the Commonwealth Constitution.

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(m) “FTZ” means Free Trade Zone created pursuant to this Act and such additional Free Trade Zones as subsequently may be established by or pursuant to law.

(n) “FTZ Authority” means the Free Trade Zone Authority established by this Act.

(o) “FTZ licensee” means Free Trade Zone licensee and includes, where appropriate to the context, prospective licensees and lessees.

**Source:** PL 12-20, § 3, modified.

**Commission Comment:** The Commission corrected the designations of subsections (n) and (o) above from (o) and (p), respectively.

PL 12-20, which took effect on September 22, 2000, contained the following short title, findings and purpose, severability, and savings clause provisions:

Section 1. Short Title. This Act may be cited as the Northern Mariana Islands Free Trade Zone Act of 2000.

Section 2. Findings and Purpose. The Legislature finds that it is in the best interest of the Commonwealth to establish free trade zones as an economic development tool to encourage the establishment of new business, industrial and commercial activities in order to diversify the Commonwealth economy. Two industries, tourism and garment manufacturing, constitute the current economic base of the CNMI. As recent events, including the prolonged economic downturn in Asia, have demonstrated, this economy is extremely vulnerable to forces outside of the CNMI’s control. In addition, it appears that apparel manufacturing activity may lessen in the Commonwealth in the next several years as international trade agreements affecting tariffs make other international manufacturing locations more economically attractive than the CNMI.

The Legislature further finds that it is in the best interests of the people of the Commonwealth to take aggressive actions to broaden the CNMI’s economic base through diversification. The Legislature further finds that the types of business, industrial and commercial activity that are in the best long term interests of the people of the CNMI are those that require significant capital investment, are low labor intensive, have negligible impact on the environment, and are compatible with tourism. Illustrative examples of such types of desirable business activities would be: production of computer hardware and software, licensing and distribution of intellectual property, computer programming services, data base storage and retrieval, financial and trade related services. These examples are illustrative only, not limiting. Such businesses will attract skilled and highly paid employees, and will provide meaningful training opportunities for the citizens of the CNMI. The Commonwealth’s leading industry will remain tourism so businesses in the free trade zones must not cloud the air, foul the beaches or contaminate the aquifer.

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It is the intention of the Legislature to entice appropriate new business, industrial and commercial enterprises to relocate into the Commonwealth from other jurisdictions. It is not the Legislature's intent to lessen the existing tax base by allowing existing business, industrial and commercial enterprises currently operating in the Commonwealth to relocate into the free trade zones. In order to entice new economic activity, the CNMI must provide tax and other financial incentives similar to those offered by the United States and other countries internationally. To accomplish this, the Legislature finds that it is in the best interest of the people of the Commonwealth to make available for lease public lands at reasonable rates and to provide incentives in the form of tax relief for desirable businesses establishing operations within the free trade zones.

The Legislature further intends to streamline and expedite obtaining the necessary permits or licenses applicable to businesses wishing to establish operations in the free trade zones by directing that these applications be expedited on a priority basis and that the Authority assist the businesses in coordinating with relevant regulatory agencies to limit unnecessary delays.

. . .

Section 29. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 30. Savings Clause.

(a) This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence at the date this Act becomes effective.

(b) With regard to any CPA property or lease thereof, if any provision of the Act is contrary to or is in conflict with the Commonwealth Ports Authority's existing Federal Aviation Administration grant agreements, bond indenture covenants, or any other contractual obligation or commitment, such agreements, covenants, obligations and commitments of CPA shall remain effective and shall not be impaired, compromised or subordinated.