

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
SAIPAN MARIANA ISLANDS

VOLUME 14 NUMBER 02



FEBRUARY 15, 1992

***COMMONWEALTH***

***REGISTER***

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**FEBRUARY 28, 2008**  
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**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
DEPARTMENT OF PUBLIC SAFETY**

Saipan, Mariana Islands 96950



Gregorio M. Camacho  
Director

Francisco H. Camacho  
Deputy Director, Operations

Thomas P. Habago  
Chief of Administration

Vicente T. Soman  
Chief of Corrections

Jesus M. Castro  
Chief of Fire

Antonio A. Reyes  
Chief of Police

Matias A. Chergualaf  
Chief of Motor Vehicle

January 24, 1992

**PUBLIC NOTICE**

**EMERGENCY REGULATIONS  
DEPARTMENT OF PUBLIC SAFETY  
BUREAU OF MOTOR VEHICLES**

The Director of the Department of Public Safety hereby finds that the public interest requires immediate adoption of regulations defining the types of heavy equipment or construction vehicles with right hand drive which may be imported into the Commonwealth, or registered, pursuant to Public Law No. 7-49, which became effective on December 30, 1991. The reasons for this finding are that, without regulations identifying the types of vehicles which are included within the definitions of heavy equipment or construction vehicles, the Bureau of Motor Vehicles cannot effectively determine which such vehicles may be registered in accordance with the new law. Further, the Director of Public Safety finds that the public interest requires that the Department immediately adopt such regulations defining the types of vehicles which may be imported and registered so that those vehicles can be lawfully operated in completing many vital public and private construction projects throughout the Commonwealth.

The Director of the Department of Public Safety is authorized to promulgate these regulations pursuant to 1 CMC §§2504(f) and 2507, and 9 CMC §1204(b). Such emergency regulations are published in accordance with 1 CMC §§9104 and 9105; they become effective immediately upon filing with the Registrar of Corporations, and are to be effective for a period of 120 days after promulgation, unless

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Administrative Division  
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234-7234/8534

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234-6222/9222/3437

Patrol Division/Public Relations  
234-7271/8536

Investigation Section  
234-7208

Juvenile Unit  
234-9136

Motor Vehicle Bureau  
234-6921/9137

Highway Safety Office  
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Traffic Section  
234-7212/7153

Boating Safety Office  
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234-5298

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234-1318

ACY - 911

repealed or modified at an earlier time as provided by the laws of the Commonwealth.

Pursuant to 1 CMC §9104, comments regarding the contents of these regulations may be sent to the Office of the Director, Department of Public Safety, Civic Center, Susupe, Saipan, MP 96950 within thirty (30) days of the date of their publication in the Commonwealth Register.

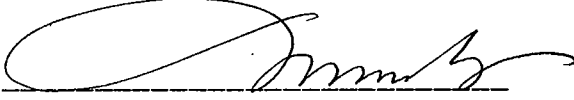
Certified By:   
GREGORIO M. CAMACHO, Director

1-24-92  
Date

Concurred By:   
LORENZO I. DE LEON GUERRERO  
Governor

1-24-92  
Date

January 24, 1992  
Date of Filing with Registrar

  
Registrar of Corporations

January 24, 1992  
Date Received in the  
Office of the Governor

By:   
Governor's Authorized Staff



**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**  
**DEPARTMENT OF PUBLIC SAFETY**  
 Saipan, Mariana Islands 96950



Gregorio M. Camacho  
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 Chief of Police

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 Chief of Motor Vehicles

**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**  
**DEPARTMENT OF PUBLIC SAFETY**  
**BUREAU OF MOTOR VEHICLES**

**RULES AND REGULATIONS**

Pursuant to Public Law 7-49 (amending 9 CMC §2101), Section 2, the Director of Public Safety defines the types of vehicles to be included in the definitions of heavy equipment or construction vehicles as set forth below. These terms are so defined for the purpose of regulating the importation and registration of right hand drive vehicles in the Commonwealth, in accordance with the express provisions of the Act.

**Heavy Equipment or Construction Vehicles**

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CST Office  
 234-5288

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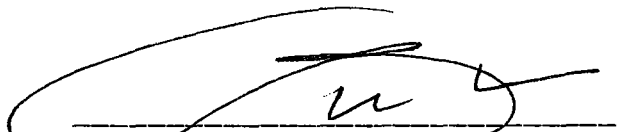
Kalierville Substation  
 234-1319

AGENCY - 911

"Heavy equipment or construction vehicles" are any vehicles used primarily off the highways for construction purposes and which move only occasionally on public highways or roads. They include, but are not limited to, bucket loaders, earth moving scrapers and carryalls, ditchers, backhoes, dump trucks, tractor dump trailers, tractor mowers, graders, scarifiers, power shovels and drag lines, spreaders, road rollers, road sweepers, transit mixers, cranes and crane trucks, welders, pumps, and speed swings. They do not include equipment or vehicles originally designed for the transportation or persons or property.

All other types of equipment or vehicles with right hand drive shall, upon request, be physically inspected by the Bureau of Motor Vehicles Chief or other authorized by the Department of Public Safety personnel who shall determine whether each such piece of

equipment or vehicle qualifies as "heavy equipment or construction vehicle(s)" and shall report and maintain records of the reasons therefor.



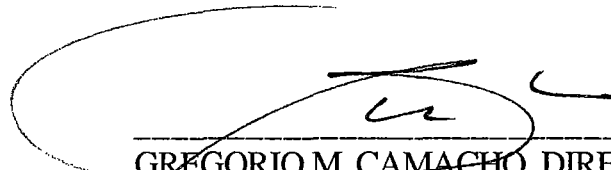
\_\_\_\_\_  
GREGORIO M. CAMACHO, Director  
Department of Public Safety

CJH/cdg

## CERTIFICATION OF ADOPTION OF EMERGENCY REGULATIONS

I, Gregorio M. Camacho, the Director of the Department of Public Safety which is promulgating the Department of Public Safety, Bureau of Motor Vehicles, Emergency Regulations defining heavy equipment and construction vehicles as set forth herein, by my signature below hereby certify that such Regulations are a true, complete and correct copy of said Regulations formally adopted by the Department of Public Safety.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 24th day of January, 1992 in Saipan, Commonwealth of the Northern Mariana Islands.



\_\_\_\_\_  
GREGORIO M. CAMACHO, DIRECTOR  
Department of Public Safety

*Filed in Office of the Governor,  
January 24, 1992, 3:45 pm  
Hon. J. Cruz*

PUBLIC NOTICE

NOTICE OF ADOPTION OF EMERGENCY REGULATIONS  
AND  
NOTICE OF INTENT TO ADOPT AMENDMENTS  
TO THE LABOR REGULATIONS

**EMERGENCY:** There have been several recent cases where a party has failed to notify the Department of Labor of his/her change of address after filing a labor complaint, grievance proceeding, answer, or other papers. Consequently, the Department of Labor has not been able to locate such parties in order to serve them with pleadings, papers, notices [particularly notices of hearing on the complaint], orders, or process.

For example, many complainants have abandoned their employment after filing a labor complaint or grievance proceeding. The Department of Labor is not legally entitled to revoke a work permit of a complainant, unless said complainant has received notice of the hearing to revoke his/her work permit.

The agency finds that public interest requires amendment to the Labor Regulations to define "service of process" to include service by mail or delivery to the address of the complainant as listed on the Notice to Complainant, and clarifying that it is the responsibility of the parties to notify the Department of Labor, in writing, of any change of address after the filing of a labor complaint or grievance proceeding.

**CONTENTS:**

**PUBLIC COMMENTS:** Comments on the proposed amendments may be sent to the Director, Department of Commerce and Labor, Administration Building, Capitol Hill, Saipan, MP 96950.

**AUTHORITY:** The Department of Commerce and Labor is authorized to promulgate Labor regulations pursuant to 1 CMC §2454.

for: *Remedio C. Napos*  
REMEDIAD B. SASAMOTO  
Filed by the Registrar of Corporations

1/12/92  
Date

*J. S. Torres*  
JOAQUIN S. TORRES  
Director  
Department of Commerce  
and Labor

1/2/92  
Date

*Lorenzo I. de Leon Guerrero*  
LORENZO I. DE LEON GUERRERO  
Governor

1/10/92  
Date



NUTISIAN PUBLIKU

NUTISIAN PUBLIKU PUT I MA'ADAPTAN REGULASION EMERGENCY  
YAN  
NUTISIA PUT I INTENSION PARA U MA'ADAPTA I AMENDASION PARA REGULASION LABOR

**EMERGENCY:** Guaha esta nai masusedi anai i taotao pat pattida ti ha nutisia i Dipatamenton Labor yanngen ha tulaika manu nai suma'saga (address) despues de man file labor complaint, grievance proceeding, ineppe pat hafa sdiha na dokumentu nisisariu. Gi magahet, gof mappot para i Dipatamenton Labor sa ti siña ha sodda este siha na petsonas kosaki siña manma ayuda ni ginagao-ñiha, papet, nutisia [patlikulamente nutisian hearing para i complaint], orders pat process.

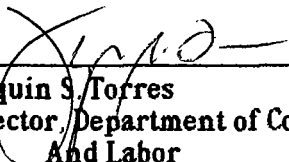
Pot ehemplo, meggai na complainants ma abandona i che'cho'-ñiha despues de man file labor complaint osino grievance proceeding. Ti ligat para i Dipatamenton Labor na para u diroga i working permit i complainant, solo ayu na complainant esta man reside nutisian hearing na para u ma diroga iyon- na working permit.

I adensia ha sodda na gi interes i publiku na debi ha di u guaha amendasion siha gi halom i Regulasion Labor ni ha difina "Service process" ya ma inklusu halom sedbisiun Katta ni para u ma entrega guatu gi complainant ni a'anok gi Nutisia para i complainant, yan u mana klaru na responsibilidad i pattida para u nutisia i Department of Labor ya u ma kattayi komu guaha tinulaika despues de munahalom labor complaint pat grievance proceeding.

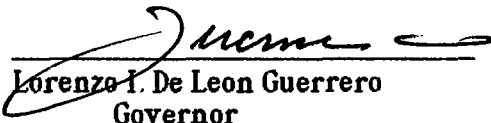
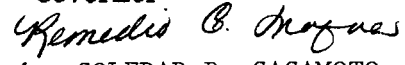
Suhetu:

Komentun Publiku: Komentu pot i man maproponi siha na amendasion, siña ha ma hanao guatu gi Director, Department of Commerce and Labor, Administration Building, Capitol Hill, Saipan, MP 96950.

Aturidat: I Dipatamenton Commerce and Labor guaha fuetsa-ña mamatinas regulasion Labor sigun i ginagao ICMC S 2454

  
\_\_\_\_\_  
Joaquin S. Torres  
Director, Department of Commerce  
And Labor

1/10/92  
Fecha'

  
\_\_\_\_\_  
Lorenzo I. De Leon Guerrero  
Governor  
  
6A: SOLEDAD B. SASAMOTO

1/10/92  
Fecha'

Filed by the Registrar of Corporations

1/12/92  
Fecha'

ARONGORONGOL TOWLAP

ARONGORONG REEL ADAPTAAL ALLÉGHÚL EMERGENCY  
ME

ARONGORONG REEL MÁNGEMÁNG IGHA REBWE ADAPTA ALLÉGHÚL LABOR

**EMERGENCY:** Ayoor igha aramas kka re ghal file complaint rese aghuleey ngáliir schóol Bwulasiyool Labor igha raa liwiliilo' iya igha rekke lo iye (address) mwuril igha re ato boolong complaint, mwoghotughutul grievance, palawal me meta schéél tiliigh kka e nisisiita. Reel schéschéél nge Dipatlamentool Labor eghi weirás rebwe schuagiir aramas reel rebwe alisiir reel yaar tingór, schééltiliigh (espisiadmente arongrong reel igha ebwe yoor hearing-il yaar complaint), táilil, me mwoghotughutul.

Sibwe ira, bwe aa ghi sségh schóol complaints kka re fattabw sáangi aramas ye re angaang ngáli mwirilóol yaar atotoolong complaint me ngáre grievance proceeding. Dipatlamentool Labor esóor bwángil ese mmwel bwe ebwe revoke-li yaal work permit, mille yaal aramas we risibi arongorong bwe ebwe yoor hearing reel rebwe revoke-li yaal work permit.

Schóol Bwulasiyo yeel re schuungi bwe ghatchúur towlap bwe yoor lliiwel mellól Alléghéel Labor iye faal nge "Service of Process" bwe ebwe toolong bweibwoghíóol katta ngáli aramas we e complaint nge e pwal toolong bwe bwángil aramas we bwe ebwe aghaleey ngáliir schóol Dipatlamentool Labor nge rebwe ischiitiw lliiwel reel igha relo iye mwuril yaar file labor complaint me grievance proceeding.

Ówtol:

Tipeer Towlap: Mángemáng me tipeer towlap reel lliiwelil allégh kkal nge rebwe ischiitiw nge raa afanga ngáli Director, Department of Commerce and Labor, Administration Building, Capitol Hill, Saipan, MP 96950.

Bwángil: Eyoor bwángil Commerce and Labor bwe fféer alléghúl Labor reel ailéewal l CMC 2454.

*Reneado C. Magaña*  
On: SOLEDAD B. SASAMOTO  
Filed by the Registrar of Corporations

*1/12/92*  
Date

*J. Torres*  
Joaquín S. Torres  
Director, Department of Commerce  
and Labor

*1/10/92*  
Rál

*L. De Leon Guerrero*  
Lorenzo I. De Leon Guerrero  
Governor

*1/10/92*  
Rál

**AMENDMENT TO LABOR REGULATIONS**  
Section IV D

2. Service of all pleadings, papers, notices, orders, and process, required by statute or regulation to be served upon any party to a labor dispute or grievance proceeding, may be made in the following manner:

1) By delivery of the requisite number of copies of any pleadings, papers, notices, orders, and process to the party personally or by leaving copies thereof at his dwelling house or usual place of abode with some person of suitable age and discretion then residing therein or by delivering a copy of the pleadings, papers, notices, orders, or process, to an agent authorized by appointment or by law to receive service of process; or

2) By mailing the requisite number of copies of any pleadings, papers, notices, orders, or process (by first-class mail, postage prepaid), (a) to a complainant at the address provided by him on the Notice to Complainant form, and (b) to a respondent at the address provided by him on the Employment Contract, unless a party has notified the Department of Labor, in writing, of a change of address, in which case service shall be made to the address last provided by a party. It is the responsibility of the parties to notify the Department of Labor, in writing, of any change in address; or

3) Where a party is represented by an attorney, service may be made upon the attorney in lieu of service upon the party, by delivering or mailing, (first-class, postage prepaid) any pleadings, papers, notices, orders, or process, to the attorney or office of the attorney.

3. Service by delivery is made by handing it to the attorney or to the party, or leaving it at his office with his clerk or other person in charge thereof; or, if there is no one in charge, leaving it in a conspicuous place therein; or, if the office is closed or the person to be served has no office, leaving it at his dwelling house or usual place of abode with some person of suitable age and discretion then residing therein. Service by mail is complete upon mailing.

The purpose for this regulation is to allow for proper service in those instances where a complainant or respondent has failed to notify the Department of Labor of a change in address after the filing of a labor complaint or grievance. The Department of Labor may not take adverse action against a party at a hearing without first providing adequate notice of the hearing, which often is impossible without a current address for such parties. This regulation will place the burden properly upon the parties to maintain a current address on file with the Department of Labor, and will allow said Department to proceed with necessary hearings on labor cases despite the inability to locate and serve a party who has abandoned employment, fled the jurisdiction, or otherwise failed to notify the Department of Labor of a change of address for purposes of service of pleadings, papers, notices, orders, or process.



**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**  
**DEPARTMENT OF PUBLIC SAFETY**  
 SAIPAN, MARIANA ISLANDS 96950



PUBLIC NOTICE

**PROPOSED REGULATIONS**  
**DEPARTMENT OF PUBLIC SAFETY**  
**BUREAU OF MOTOR VEHICLES**

- Gregorio M. Camacho  
Director
- Jerry P. Crisostomo  
Deputy Director, Administration
- Francisco M. Camacho  
Deputy Director, Operations
- Thomas P. Rabago  
Chief of Administration
- Vicente T. Seman  
Chief of Corrections
- Jesus M. Castro  
Chief of Fire
- Antonio A. Reyes  
Chief of Police
- Matias A. Chargualaf  
Chief of Motor Vehicle

The Director of the Department of Public Safety hereby proposes to promulgate regulations defining the types of heavy equipment or construction vehicles with right-hand drive which may be imported into the Commonwealth, or registered, pursuant to Public Law No. 7-49, which became effective on December 30, 1991. (These regulations were previously adopted as Emergency Regulations on January 24, 1992, and will remain effective until the Proposed Regulations take effect.) The Director of the Department of Public Safety is authorized to promulgate these regulations pursuant to 1 CMC §§2504(f) and 2507, and 9 CMC §1204(b). These regulations are published in accordance with 1 CMC §§9104 and 9105.

- Facsimile - (670) 234-8531  
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- Traffic Section  
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322-4037
- CST Office  
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- Koblerville Substation  
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- EMERGENCY - 911

Pursuant to 1 CMC §9104, comments regarding the contents of these regulations may be sent to the Office of the Director, Department of Public Safety, Civic Center, Susupe, Saipan, MP 96950 within thirty (30) days of the date of their publication in the Commonwealth Register.

CERTIFIED BY:

\_\_\_\_\_  
 GREGORIO M. CAMACHO  
 Director

2-05-92  
Date

Filed by:

*Asst.*   
 \_\_\_\_\_  
 Registrar of Corporations

2-06-92  
Date



**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
DEPARTMENT OF PUBLIC SAFETY**

SAIPAN, MARIANA ISLANDS 96950



**NUTISIAN PUBLIKU**

**I MAPROPOPONI NA REGULASION  
DIPATTAMENTON PULUSIA  
BUREAU OF MOTOR VEHICLES**

- Gregorio M. Camacho  
Director
- Jerry P. Crisostomo  
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Chief of Corrections
- Jesus M. Castro  
Chief of Fire
- Antonio A. Reyes  
Chief of Police
- Marias A. Chargualaf  
Chief of Motor Vehicle

I Direktot i Dipattamenton Pulusia ha propoponi na u famatinas regulation ni para u difina hafa na klasen heavy equipment pat kretan konstraksion ni mangaige i manngon-niha gi agapa na banda u fan ma impotta halom gi Commonwealth, pat ma rehistra sigun gi Lai Publiku No. 7-49, ni mana'efektibu gi Desiembre 30, 1991. (Este siha regulasion manma adapta komo Regulation Emergency gi Ineru 24, 1992, ya u efektibu astaki mana efektibu i Maproponi na Regulasion.) I Direktot i Dipattamenton Pulusia ma aturisa na para u fatinas este siha na regulasion sigun gi fuestsan l CMC §§2504(f) yan 2507, yan 9 CMC §1204(b). Ma publika huyong este siha na regulasion sigun i l CMC §§9104 yean 9105.

Sigun i l CMC §9104, komentu siha put este siha regulasion mana fanhalom gi i Ufusinan Direktot, Dipattamenton Pulusia, Civic Center, Susupe, Saipan, MP 96950 gi halom trenta (30) dias despues di ma pupblika este huyong gi Commonwealth Register.

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234-1318
- EMERGENCY - 911

INAPREBAN:

  
GREGORIO M. CAMACHO  
Direktot

2-05-92  
Fecha

Filed by: Remedio C. Inyeras  
Registrar of Corporations

*ant.*

2-6-92  
Date



**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**  
**DEPARTMENT OF PUBLIC SAFETY**  
 SAIPAN, MARIANA ISLANDS 96950



Gregorio M. Camacho  
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Matias A. Chargualaf  
Chief of Motor Vehicle

**FFEERUL ALLEGH**  
**BWULASIYOOOL PULUSIYA**  
**BUREAU OF MOTOR VEHICLES**

Samwoolul Bwulasiyool Pulusiiya ebwele ffeer allegh iye ebwe amatafaawow meta tappal heavey equipment me gharetaal construction kka e ghal lo monggool peigh mwaal bwe ebwe atotoolong Commonwealth me ngare register igha ebwe tabweey aileewal me bwangil Alleghul Towlap ye No. 7-49, iwe aa alegheleghelo wool Eneero 24, 1992, nge ebwe alleghelo mille aal alegheleghelo Allegh kka rekke feerul. Samwoolul Bwulasiyool Pulusiiya, nge eyoor bwangil bwe ebwe ffeer allegh kkaal sangi aileewal me bwangil l CMC \$\$2504(f) me 2507, me 9 CMC \$1204(b). Allegh kkaal nge aa takkal arongorongolo reel aileewal me bwangil l CMC \$\$9104 me 9105.

Reel aileewal me bwangil l CMC \$9104, nge emmwel schagh bwe aramas rebwe ischiitiw meta mangemangiir me tipeer nge raa afanga ngali Bwulasiyool Samwool, Bwulasiyool Pulusiiya, Civic Center, Susupe, Saipan, MP 96950 llol eliigh (30) ral igha e toowo arongorong yeel mellol Commonwealth Register.

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Koblerville Substation  
234-1318

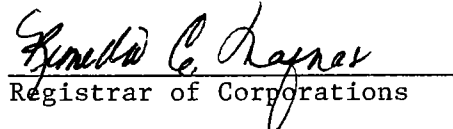
EMERGENCY - 911

ALLEGHUYAL:

  
 GREGORIO M. CAMACHO  
 Samwool

2-05-92  
 Ral

Filed by:

  
 Registrar of Corporations

2-6-92  
 Date



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
DEPARTMENT OF PUBLIC SAFETY

Saipan, Mariana Islands 96950



- Gregorio M. Camacho  
Director
- Jerry P. Crisostomo  
Deputy Director, Administration
- Francisco M. Camacho  
Deputy Director, Operations
- Thomas P. Rabago  
Chief of Administration
- Vionnie T. Roman  
Chief of Corrections
- Jesus M. Castro  
Chief of Fire
- Antonio A. Reyes  
Chief of Police
- Melias A. Chagualaf  
Chief of Motor Vehicle

NOTICE OF PROPOSED REGULATIONS  
DEPARTMENT OF PUBLIC SAFETY  
.223 CALIBER FIREARMS IDENTIFICATION CARDS

**PROPOSED REGULATIONS:** The Director of Public Safety hereby proposes to promulgate Regulations pursuant to the provisions Public Law 7-38, 1 CMC, §§2504 (C), 1 CMC 2507, and 1 CMC, §9104, consisting of "special conditions" required for persons to possess and use .223 caliber rifles and ammunition in the Commonwealth of the Northern Mariana Islands.

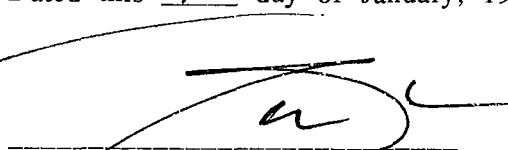
**CONTENTS:** These regulations are "special conditions", which must be met by all applicants prior to the issuance of firearms identification cards by the Department of Public Safety for .223 caliber rifles and ammunition.

Facsimile - (670) 234-8531  
Cable - c/o GCV, NMI Saipan

- Administrative Division  
(670) 234-6823/8536
- Central Station  
234-6333/7271/6431
- Corrections Division  
234-7254/8534
- Fire Division  
234-6222/9222/3437
- Patrol Division/Public Relations  
234-7271/8536
- Investigation Section  
234-7208
- Juvenile Unit  
234-9136
- Motor Vehicle Bureau  
234-6821/9137
- Highway Safety Office  
234-6021/6058
- Traffic Section  
234-7212/7153
- Boating Safety Office  
322-4037
- CSI Office  
234-6268
- Police Academy/Training  
234-6636/8536
- Kiulerville Substation  
234-1318

Pursuant to 1 CMC, §9104, comments regarding the contents of these regulations may be sent to the Office of the Director, Department of Public Safety, Civic Center, Susupe, Saipan, MP 96950 within thirty (30) days of the date of this publication in the Commonwealth Register.

Dated this 17 day of January, 1992.

  
\_\_\_\_\_  
Gregorio M. Camacho, Director  
Department of Public Safety

CJH/cdg

**FILED**  
at the  
OFFICE of the ATTORNEY GENERAL  
DATE: 2-4-92  
TIME: 10:00 AM/PM  
BY: Amedeo C. Meyner  
REGISTRAR OF CORPORATIONS  
Commonwealth of the  
Northern Mariana Islands

ENCL - 911





**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**  
**DEPARTMENT OF PUBLIC SAFETY**  
 Saipan, Mariana Islands 96950



- Gregorio M. Camacho  
Director
- Jerry P. Criscostomo  
Deputy Director, Administration
- Francisco M. Camacho  
Deputy Director, Operations
- Thomas P. Habago  
Chief of Administration
- Vicente T. Soman  
Chief of Corrections
- Jesus M. Castro  
Chief of Fire
- Antonio A. Reyes  
Chief of Police
- Mafias A. Changuaaf  
Chief of Motor Vehicle

**NUTISIA PUT MAPROPONI NA REGULASION PARA I  
 DIPATAMENTON PULUSIA PUT I  
 IDENTIFICATION CARDS PARA .223 NA KLASEN PAKI**

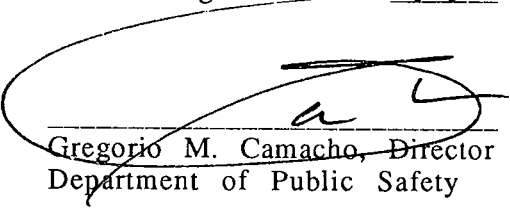
**I MAPROPONI NA REGULASION:** I Direktod i Public Safety manpropoponi na para u famatinas sigun i fuetsa yan sinangan Public Law 7-38, 1 CMC, §§2504(c), 1 CMC 2507, yan i 1 CMC, §§9014, ni ha konsisite "espesiat na kondision" ni ha nisisita i petsona para u gai .223 na klasen paki yan bala gi halom Commonwealth of the Northern Mariana Islands.

**SUHETU:** Este na regulasion "espesiat na Kondision", ni nisisariu para todos i aplikante na u ma tungo' antes de u fanmana'e indentification cards ginen i Dipatamenton Pulusia para ma'usan i .223 na klasen paki yan bala.

- Facsimile -- (670) 234-8531
- Cable -- c/o GOV. NMI Saipan
- Administrative Division  
(670) 234-8923/8536
- Central Station  
234-6333/7271/6431
- Corrections Division  
234-7254/6534
- Fire Division  
234-6222/9222/3437
- Patrol Division/Public Relations  
234-7271/6536
- Investigation Section  
234-7208
- Juvenile Unit  
234-9136
- Motor Vehicle Bureau  
234-6921/9137
- Highway Safety Office  
234-6021/6065
- Traffic Section  
234-7212/7153
- Boating Safety Office  
322-4037
- CST Office  
234-9298
- Police Academy/Training  
234-6639/8536
- Keberlyville Substation  
234-1318

Sigun i fuetsa yan sinangan 1 CMC, § 9104, komentu put i sinangan este na regulasion, sina ha mana hanao guato gi Office of the Director, Department of Public Safety, Civic Center, Susupe, Saipan, MP 96950 gi halom trenta (30) dias antes de ma publika huyong este na nutisia gi Commonwealth Register.

Ma fecha' guine na dia 17 Eneru, 1992.

  
 Gregorio M. Camacho, Director  
 Department of Public Safety

CJH/cdg

FILED

at the  
 OFFICE of the ATTORNEY GENERAL

DATE: 2-4-92

TIME: 10:00 AM / PM

BY: Armedio C. Inojan

REGISTRAR OF CORPORATIONS  
 Commonwealth of the  
 Northern Mariana Islands

ENCY - 911



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
DEPARTMENT OF PUBLIC SAFETY

Saipan, Mariana Islands 96950



Gregorio M. Camacho  
Director  
Jerry P. Crisostomo  
Deputy Director, Administration

Francisco M. Camacho  
Deputy Director, Operations

Thomas P. Raabago  
Chief of Administration

Vicente T. Seman  
Chief of Corrections

Jesus M. Castro  
Chief of Fire

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Central Station  
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234-7254/9534

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234-6222/9222/3437

Patrol Division/Public Relations  
234-7271/8536

Investigation Section  
234-7208

Juvenile Unit  
234-9136

Motor Vehicle Bureau  
234-6921/9137

Highway Safety Office  
234-6021/8055

Traffic Section  
234-7212/7153

Boating Safety Office  
322-4037

CST Office  
234-4298

Police Academy/Training  
234-6639/8536

Koblerville Substation  
234-1318

ARONGORONG REEL FFÉÉRUL ALLÉGH MELLÓL

DEPARTMENT OF PUBLIC SAFETY

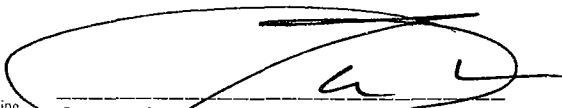
IDENTIFICATION CARDS-IL TAPPAL PAKK YE .223 CALIBER

ALLÉGH YE EBWE YOOR: DireKtoodul Public Safety e mwuschál bwe ebwe fféer allégh reel ebwe tabweey ailéewal me bwángil Public law 7-38, 1 CMC, §§2504 (c), 1 CMC 2507, me 1 CMC §9104, iye eyoor "special conditions" ye e deebi bwe aramas ebwe féerú ngáre ebwe lailai tappal pakk ye .223 me bóola mellól Commonwealth of the Northern Mariana Islands.

ÓWTOL: Allégh kkaal nge "special conditions" reel igha iyeel mille alongeer applicants rebwe ghuleey mmwal igha rebwe bweibwogh identification cards sangi Department of Public Safety, ngáre rebwe lailai pákk me bólaal mille .223 caliber.

Reel ailéewal me bwángil 1 CMC, §9104, nge emmwel schagh bwe aramas ebwe ischiitiw meta mángemángil me tipal reel ówtol allégh kkaal nge raa afanga ngáli Office of the Director, Department of Public Safety, Civic Center, Susupe, Saipan, MP 96950 llól eliigh (30) rál sángi igha e toowow arongrong yeel llól Commonwealth Register.

E fféer llol ráálil ye 17 Enero, 1992.

  
Gregorio M. Camacho, Director  
Department of Public Safety

CJH/cdg

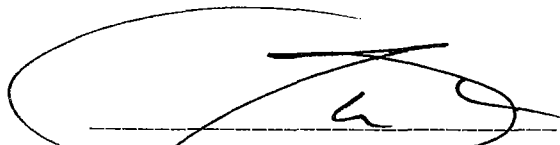
**FILED**  
at the  
OFFICE of the ATTORNEY GENERAL  
DATE: 2-4-92  
TIME: 10:00 (AM) / PM  
BY: J. Mafnas  
REGISTRAR OF CORPORATIONS  
Commonwealth of the  
Northern Mariana Islands

ENCY - 911

In addition to the existing firearms identification card application requirements and procedures set forth in Public Law 6-38 (codified in 6 CMC, §2204), additional "special conditions" are required of all applicants for firearms identification cards to possess and use .223 caliber rifles and ammunition, pursuant to Public Law 7-38 (amending 6 CMC, §2204(k)), as follows:

1. With each such application, the applicant must submit to the Department of Public Safety written proof that there is no criminal charges(s) currently pending against the applicant. Records must be submitted from both the federal (U.S. District) and the local (CNMI Superior) courts. In addition, if the applicant has resided in the Commonwealth for less than two (2) years, he or she must also submit, with his or her application, written proof that no criminal charge(s) are pending against him or her from the courts of all jurisdictions in which he or she has previously resided.

2. At the time he or she obtains a .223 caliber firearm identification card, the applicant must present to the Department of Public Safety for inspection the rifle for which the ID card is being issued along with a trigger safety lock properly secured to the trigger. (At all times any such rifle is not in lawful use, a trigger safety lock must be secured to the trigger mechanism.)



\_\_\_\_\_  
GREGORIO M. CAMACHO, Director  
Department of Public Safety

CJH/cdg



Commonwealth Utilities Corporation  
Office of the Executive Director

**FILED**  
at the  
OFFICE of the ATTORNEY GENERAL  
DATE: 2-7-92  
TIME: 9:15 (AM) / PM  
BY: J. Mafano  
REGISTRAR OF CORPORATIONS  
Commonwealth of the  
Northern Mariana Islands

**PUBLIC NOTICE**

**PROPOSED ELECTRIC SERVICE REGULATIONS  
OF THE  
COMMONWEALTH UTILITIES CORPORATION  
ELECTRIC POWER RATES**

These regulations have been proposed by the Board of Directors of the Commonwealth Utilities Corporation (CUC) pursuant to 4 CMC, Section 8157. These regulations and such other regulations as may be adopted by CUC from time to time shall have the force and effect of law and shall be binding on all persons and entities subject to the jurisdiction of the Commonwealth of the Northern Mariana Islands (CNMI).

In accordance with Public Law 4-47, Article 4(c) and Public Law 6-5, Section 319, the following electric power charges shall be imposed on consumers of electricity at the following rates and locations:

Consumer Class	Cost of Total Kilowatt Hours Consumed		
	Saipan	Tinian	Rota
Residential	\$0.1199	\$0.1477	\$0.2235
Commercial	\$0.1743	\$0.2148	\$0.3251
Government	\$0.1743	\$0.2148	\$0.3251

Anyone interested in commenting on the proposed electric power rates may submit written comments in writing within thirty (30) days from the date this notice is published in the Commonwealth Register to:

Executive Director  
Commonwealth Utilities Corporation  
P.O. Box 1220  
Saipan, MP 96950

Public Hearing on the proposed electric power rates shall be held in Saipan, Tinian and Rota.

AS Iba  
Angie S. Iba, Acting Chairman  
Board of Directors

2-7-92  
Date



Commonwealth Utilities Corporation  
Office of the Executive Director

**FILED**  
at the  
OFFICE of the ATTORNEY GENERAL  
DATE: 2-7-92  
TIME: 9:15 AM / PM  
BY: J. Magner  
REGISTRAR OF CORPORATIONS  
Commonwealth of the  
Northern Mariana Islands

**NOTICIAN PUBLICO**

**MA PROPONE NA REGULASION POT SETBISION ELECTRICIDAD  
GINEN I COMMONWEALTH UTILITIES CORPORATION  
APAS POT USON ELECTRICIDAD**

Este siha na regulasions man ma propone nu i Cuetpon Directores i Commonwealth Utilities Corporation (CUC) sigun i 4 CMC, Sectiona 8157. Este siha na regulasion yan otro siha nu para u fan ma adopta gi man mamamaila na tiempo man gai fuetsa cumo lai ya inebliga cada petsonas yan cuetpo nu i gaige gi halom i Commonwealth giya Northern Marianas (CNMI).

Sigun i Lai Publico 4-47, Articulo 4(c) yan Lai Publico 6-5, Sectiona 319, i sigiente siha na apas uson electricidad debe de u ma aplica para todos commetsiante gi sigiente siha na manera.

Classen Commetsiante	Apas Kilowatt Na Ora Nu I Manasetbe		
	Saipan	Tinian	Luta
Fanlihingang/masagagayi na guma	\$0.1199	\$0.1477	\$0.2235
Commetsiante/Business	\$0.1743	\$0.2148	\$0.3251
Gobetnamento	\$0.1743	\$0.2148	\$0.3251

Todos petsonas nu man interesante man mamatinas commento pot este i ma propone na apas pot mana setben electricidad debe de u mana halom i matugi na commento gi halom trenta (30) dias ginen i fecha este na noticia ni i mapublica gi Commonwealth Register. Este na commento debe de u ma entrega guato gi:.

Executive Director  
Commonwealth Utilities Corporation  
P.O. Box 1220  
Saipan, MP 96950

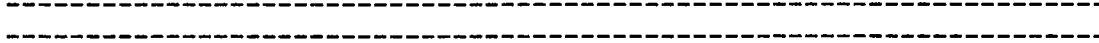
Inengko publico nu este i ma propone na apas uson electricidad para u maconducta loque guato giya Saipan, Tinian yan Luta.

Angie S. Iba  
Angie S. Iba, Acting Chairperson  
Board of Directors

5-2-92  
Date

COMMONWEALTH UTILITIES CORPORATION

PUBLIC NOTICE



PROPOSED REGULATIONS

**AUTHORITY:**

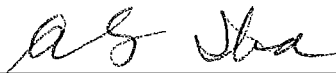
The Board of Directors, in accordance with 4 CMC 8157 is authorized to adopt rules and regulations necessary to perform its duties and responsibilities, which include the regulation of the public sewage system.

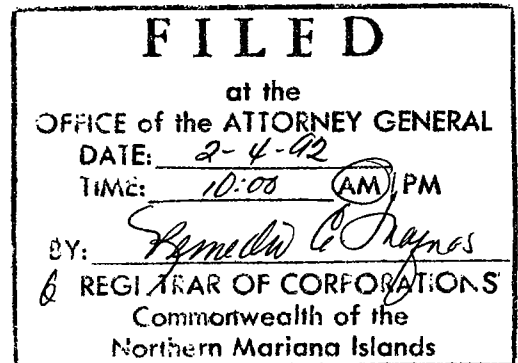
**SUBJECT MATTER:**

The proposed CUC regulation governing the use of public sewers includes an amendment to the existing Regulations Governing the Use of Public Sewers, which raises the fee for the discharging of septic tank or seepage pit liquid wastes into the public sewage system.

The public may submit written comments or recommendations regarding the proposed regulation during the 30-day period following this date of publication in the Commonwealth Registrar. Such comments or recommendations should be sent to the Executive Director of the CUC as follows:

Executive Director  
Commonwealth Utilities Corporation  
P.O. Box 1220  
Lower Base  
Saipan, MP 96950

  
\_\_\_\_\_  
Angie Iba, Acting Chairperson  
CUC Board of Directors



**CUC REGULATIONS GOVERNING THE USE OF PUBLIC SEWERS**

Article V, Section 5:

Section 5. Discharging of septic tank or seepage pit liquid wastes into the public sewerage system by a private citizen or business or public institutions including the Government agencies shall be assessed a fee according to the following rate:


*Discharge of septic tank or seepage pit liquid wastes into the public sewerage system by a private citizen or business or public institutions including the Government agencies shall be assessed a fee according to the following rate:*

\$25.00 per thousand gallons of waste.

Payment shall be made before the discharging occurs in the case of a private citizen or on a monthly basis in the cases of businesses engaged in this service or the public institutions, who will be required to pay in advance an estimated amount for one month. The Chief Engineer or his designee shall verify the dumping by examination of the customer receipts and periodic spot check in."

**CERTIFICATION**

I hereby certify that the foregoing is a true copy of the amended Regulations Governing the Use of Public Sewers, Article V, Section 5.

  
\_\_\_\_\_  
Angie Iba, Acting Chairperson  
CUC Board of Directors

<b>FILED</b>
at the
OFFICE of the ATTORNEY GENERAL
DATE: <u>2-4-92</u>
TIME: <u>10:00</u> (AM) / PM
BY: <u>Amelia C. Rojas</u>
REGISTRAR OF CORPORATIONS Commonwealth of the Northern Mariana Islands

# COMMONWEALTH UTILITIES CORPORATION

## NUTISIAN PUPBLIKU

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### I MANMAPROPOPONI SIHA NA REGULASION

#### ATURIDAT:

I Board of Directors sigun i fuetsan 4 CMC 8157, ma aturisa komo siña man adapta areklamento yan regulasion ni mannisisario para u ma cho'gue i che' cho yan responsabilidat-niha ni hu'ma'halom i regulasion para i public sewer system.

#### SUHETU:

I manma propoponi siha na regulasion CUC, ni para u ginobietna i mausan public sewers ni inkusu i para u ma amneda i presnte na Regulasion Ni Para U Gobietna I Ma'usan I Public Sewers, na mahatsa i apas yanngen para u mana achetton i tangken septic yan liquid waste guato kontra i public sewage system.

Haye malago gi entre i pupbliku henerat na para u famatinas komento put este siha na areklamento osino regulasion, siña muna'halom gi haloim trenta dias (30) despues de i malaknos este na nutisia gi halom i Commonwealth Register. Ayu siha na komentu u mana'hanao guato gi Executive Director CUC gi este na address:

Executive Director  
Commonwealth Utilities Corporation  
P. O. Box 1220  
Lower Base  
Saipan, MP 96950



*as Iba*

---

Angie Iba, Acting Chairwoman  
CUC Board of Directors

COMMONWEALTH UTILITIES CORPORATION  
ARONGORONGOL TOWLAP

FFÉÉRÚL ALLÉGH

**BWÁNGIL:**

School Board of Directors, reel igha rebwe tabweey aileewaL mille 4 CMC 8157 nge eyoor bwángil bwe ebwe adapta allégh bwe ebwe mmwelil feeru yaal Angaang, iye e bwal toolong alleghúl yáyaál public sewage system.

**ÓWUTOL:**

Allégh kka rebwe féeru bwe ammwelil public sewers, nge e bwal toolong ikka aa lo llól Regulations Governing the Use of Public Sewers, iye ebwe sássar abwos reel ngáre rebwe afattabweeywow schalúl septic tank me ngáre seepage pit liquid waste bwe mwetelong llól public sewage system.

Aramas ye e tipáli nge emmwel schagh bwe ebwe ischiitiw meeta tipal me mángemángil reel allgh kkaal llól eliigh rál sáangi igha e toowow arongorong yeel mellól Commonwealth Register. Tipitip me mángemeang kkaal nge rebwe afanga ngáli Executive Director CUC reel address ye faal:

Executive Director  
Commonwealth Utilities Corporation  
P.O. Box 1220  
Lower Base  
Saipan, MP 96950



Angie Iba, Acting Chairwoman  
CUC Board of Directors

ALLÉGHÚL CUC REEL ALLÉGHÚL YÁYÁÁL PUBLIC SEWERS.

ARTICLE V, SECTION 5:

"Section 5. Atotoowowul schaal sangi septic tank me seepage liquid waste bwe ebwe toolong llól public sewer system saengi private citizen, bisnis, public institution me Government Agencies nge rebwe tabweel llapal abwo ye faal: \$25.00 dóóla kada sangaras galonul schaal me ngare alloow.

Rebwe ghommwal abwosuuwow mmwal igha rebwe amwetemwet ngali sewer system reer private citizen, kada maram ngáliir bisnis me public institution, iye emmwel shcagh bwe rebwe aiyeghiir rebwe abwosuutiw fischal eew maram. Chief Engineer me ngare layúl schóól akkúlé rebwe amwuri fischiiy customer receipt me periodic spot chekin."

## PUBLIC NOTICE

Proposed Regulations Promulgated Pursuant to Article XXI of the Commonwealth Constitution and the Tinian Casino Gaming Control Act of 1989.

The Tinian Casino Gaming Control Commission (Commission) hereby gives public notice that pursuant to its duties and responsibilities under Article XXI of the Constitution, as amended, and the authority given the Commission by and through the Tinian Casino Gaming Control Act of 1989 promulgates these proposed revised regulations governing fees and deposits for gaming applications and licenses to be utilized by the Commission under the Tinian Casino Gaming Act of 1989.

The Commission hereby advises the general public that the Rules and Regulations are available at the Commission Office, P.O. Box 143, San Jose Village, Tinian, M.P. 96952.

These rules and regulations shall be effective upon notice of their adoption as provided by the Commonwealth Administrative Procedure Act.

Dated this 7th day of February, 1992.

TINIAN CASINO GAMING CONTROL COMMISSION

BY: \_\_\_\_\_

  
Jose P. Cruz  
Vice Chairman

## NOTICIA PUBLIKO

Ma-propopone na Areglo yan Regulasion ni ma-estapblesi sigun i Attikulo XXI gi Commonwealth Constitution yan i Tinian Casino Gaming Control Act of 1989.

I Tinian Casino Gaming Control Commission (Commission) hana' guaha noticia publiku sigun gi responsibilidad gi papa i Attikulo XXI gi Constitution, ni ma-amenda, yan i autoridad ni nina'e i Commission gi papa i Tinian Casino Gaming Control Act of 1989, na ha-estapblesi este siha i mapropopone ni ma revisa na regulasion yan i punto siha i Commission para u- usa gi para i ginagagao na apas yan diposita pot i aplikantin huego (casion) yan lisensia siha gi papa i Tinian Casino Gaming Control Act 1989 yan todo inekkungok siha ni manginagagao.

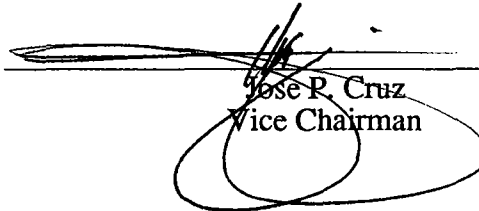
I Commission ha-abibisa i publiku henerat na i Areglu yan Regulasion gaige gi Offisinan i Commission, P.O. Box 143, San Jose Village, Tinian, MP 96952.

Este siha na areglo yan regulasion para u efektibo gi noticia na ma-adopta sigun ni maprobiniyi gi Commonwealth Administrative Procedures Act.

Mafecha gi mina 7 na haane gi Febreru, 1992.

TINIAN CASINO GAMING CONTROL COMMISSION

BY:

  
Jose P. Cruz  
Vice Chairman

## **SUBCHAPTER 8. FEES AND DEPOSITS (revised)**

### **1:8.1 General description of fees and *deposit* policy**

(a) Operations of the Commission shall be financed exclusively from fees charged each fiscal year to applicants and licensees and shall not be funded from CNMI or Municipality General Funds. Generally, the Act divides fees into two broad categories: those pertaining to casino licenses and those pertaining to all other forms of licensure or approval. The Commission shall establish, by regulation, fees for the application, issuance and renewal of all licenses.

(b) The differing treatment of these license categories reflects a recognition and judgment that casino applicants and licensees benefit directly or indirectly from all aspects of the regulatory process and are best suited to bear the largest share of the costs incurred by the Commission in implementing that process. Moreover, the actual cost of investigating and considering applications for individual employee licenses and casino service industry licenses will frequently exceed the amount which those applicants and licensees may fairly be required to pay as fees. The fee structure established by these regulations is designed to respond to these policies and problems.

(c) To the extent reasonably possible, each applicant or licensee should pay the investigatory or regulatory costs attributable to their application or license. However, since individual employees and casino service industry enterprises cannot always be expected to cover the full amount expended and since a portion of the costs incurred by the Commission pertain to the industry generally, there will be an amount of the annual budget which will not be recoverable through specified fees for particular services.

(d) Given the mandate of the Act to recover the cost of maintaining control and regulatory activities from license fees and given the fact that all such activities are undertaken for the direct or indirect benefit or protection of casino operations, the obligation to supply additional funds necessary to recover the otherwise uncollected expenditures of the Commission should be spread among the licensed casino facilities or applicants for casino licenses. By their nature the agency activities generating the otherwise uncollected expenditures are not attributable to any specific casino operation and they produce benefits for all such operations, for example, by creating a pool of licensed individuals to employ and enlarging the class of licensed casino service industries to contract with for goods and services. Thus, it is reasonable to apportion the otherwise uncollected costs equally among the licensed casino facilities and applicants for casino licenses subject to appropriate adjustment where a particular facility is not licensed for an entire fiscal year or where a change of ownership or control of casino operations occurs during the fiscal year which necessitates additional investigation.

### **1:8.2 Fiscal year**

For purpose of this subchapter, a fiscal year shall be the period commencing on October 1 and ending the subsequent September 30.

### **1:8.3 License renewal general provisions**

(a) All classes of gaming licenses, except casino licenses which remain in force until cancelled, suspended or surrendered, are subject to renewal as provided herein. Pursuant to Section 49 of the Act, no license, other than a casino license, may be renewed later than the date of expiration of the current license.

(b) Any license, other than a casino license, which is not renewed prior to expiration will be considered as forfeited. Reinstatement of such a forfeited license will require processing as a new license application including payment of the proper fees associated with initial license issuance as prescribed herein.

#### **1:8.4 Payment of fees and deposits**

(a) No application shall be accepted for filing or processed by the Chairman except upon the proper and timely payment of all required fees and deposits in accordance with the Act and these regulations. Any portion of an application fee or deposit which is incurred or determined after the filing of the application or which is estimated in accordance with this subchapter shall be payable upon demand made by the Commission. Failure to promptly remit any amount so demanded shall be deemed a failure to timely pay the required fee unless the Commission finds cause to permit an extension of time in which to remit the demanded amount.

(b) Except as otherwise provided in the Act and these regulations, failure to timely remit fees or deposits required under this subchapter shall result in suspension of the affected license or application until such time as the full amount of such fee or deposit is paid unless the Commission finds cause to permit an extension of time in which to remit the amount due. Except as otherwise provided, failure to remit the full amount of a fee or deposit required under this section within 30 calendar days of the date such fee becomes due shall result in permanent forfeiture of the affected license or application unless the licensee or applicant shall show cause for nonforfeiture acceptable to the Commission.

(c) All fees payable under this subchapter shall be paid by check or money order made payable to the "Tinian Municipal Treasurer" and presented to the Commission at its offices. No check so presented shall be deemed payment until the Commission shall be satisfied that sufficient funds are contained in the account against which it is drawn. All casino license application fees and investigation licensing costs deposits shall be payable only by cashier's check, certified check or money order.

#### **1:8.5 Casino license fees and deposits**

(a) No application for the issuance of a casino license shall be accepted for filing by the Commission unless a nonrefundable application fee of \$200,000 and a deposit against investigation licensing costs of ~~\$100,000~~ \$150,000 shall first have been paid in full to the Commission.

(b) No conditional or plenary casino license shall be issued or renewed unless the applicant shall first have paid in full an annual license fee of \$500,000 or prorated portion thereof for an initial license issuance. Pursuant to Section 50 (2)(b) of the Act, the license year for all casino licenses shall be a fiscal year which ends on September 30.

#### **1:8.6 Special fee assessments for general operations of the Commission**

(a) To the extent possible, funding for general operations of the Commission shall be derived from annual casino license fees, other license fees and casino license application fees. However, when amounts received from these set fees are insufficient to fund Commission operations, the provisions of this section shall apply.

(b) One month prior to the beginning of each new calendar quarter, the Commission shall determine previously received funds, not including licensing cost deposits described in 1:8.7, estimated to be available to fund operations of the Commission during the next quarter. Simultaneously, an estimate of operational funds required for the next quarter, not including license application processing costs, shall be prepared from the Commission's approved budget. When a funding shortfall is projected, the deficit shall be shared equally by all current casino license holders and applicants in the form of a special fee assessment.

(c) The Commission shall advise each license holder and applicant of the special fee assessment not later than the tenth day of the month preceding the beginning of a new calendar quarter. Payment of said special fee shall then be due and payable at the office of the Commission no

later than the last working day of the month preceeding the beginning of the new calendar quarter.

(d) Initial implementation of this section may result in these special fee assessments being made at times other than as specified in subsection (c), as the Commission will attempt to phase in these provisions as determined appropriate. However, any special fee assessed for general operations shall allow a minimum of twenty (20) calendar days for remittance and, within six months of implementation, the regular quarterly cycle described in subsections (b) and (c) shall be fully implemented.

(e) For purposes of this section, a calendar quarter is any consecutive three month period which begins with the first day of January, April, July or October.

**1:8.67 ~~Casino license investigation costs~~**

***Costs of processing a casino license application***

(a) The Commission shall cause all actual costs associated with investigation, **hearing and licensing** of a each casino license application, as determined necessary by the Commission, to be paid from ~~the investigation licensing cost deposits submitted by the affected applicant.~~ **With respect to the applicant, officers, principals, shareholders, financiers, contract operators or any other parties which, in the sole view of the Commission, are subject to licensing standards pursuant to the Act, actual licensing costs shall include but not be limited to the following:**

- i. **Professional fees and expenses incident to investigation of all parties subject to licensing standards;**
- ii. **Expenses incident to preparation and conduct of a licensing hearing including expert witnesses or other testimony or evidence considered by the Commission to be relevant to deciding the casino license application; and**
- iii. **An hourly charge, including a reasonable allowance for overhead, for all time expended by individual TCGCC Commissioners and staff directly on processing of the affected license application, participation in investigation, report preparation, hearing preparation, hearing participation and any other matter for which the time expended would not have been necessary were it not for the existence of the particular casino license application.**

(b) If the Commission determines that actual ~~investigation costs of processing a casino license application~~ will exceed the ~~investigation licensing cost deposit~~, the applicant will be notified to submit an additional deposit in an amount to be determined by the Commission based on an estimate of the amount of investigation **and other expenses** remaining. Such notification shall establish a date by which the additional deposit amount is to be remitted which allows a reasonable time of not less than fifteen (15) days in which to comply.

(c) When the Commission determines that **the processing of a casino license application is concluded due to issuance or denial of the license, acceptance of the applicant's withdrawal of the application or for other reasons,** ~~no further investigation is currently required of a casino license applicant, denies a casino license to an applicant or accepts the withdrawal of a casino license application,~~ any unexpended portion of the ~~investigation licensing cost deposit~~, including additional



amounts required by the Commission subsequent to the initial filing, shall be refunded to the applicant along with a generalized accounting of ~~costs~~ **expenses** paid for ~~investigation of parties associated with the application~~ **from deposited funds**. To protect the confidentiality of investigation methodologies, such accounting to the applicant shall be limited to dates of payments, payees and amounts paid.

(d) Prior or subsequent to issuance of a license, if a licensee or applicant proposes a change to the ownership, capitalization or organizational structure of the licensee or applicant which, pursuant to the Act and in the sole judgement of the Commission, requires that additional investigation be undertaken, the Commission will notify the applicant of an amount and due date for remittance of ~~an investigation~~ **a licensing** cost deposit based on the estimated cost of such additional investigation **and other expenses**. The disposition of this **additional** deposit amount shall be in accordance with other provisions of this section ~~1:8.6~~.

**1:8.7 8 ~~Investigation~~ Licensing costs of pending casino license applications**

(a) For purposes of payment of investigation **and other licensing related costs**, the provisions of this section shall apply to any casino license application which is pending at the time of adoption of this subchapter and, in connection with which, **fees and deposits** of \$300,000 or more have previously been remitted to the Commission.

(b) The \$200,000 application fee and the ~~\$100,000~~ **\$150,000** investigation **licensing** cost deposit referred to in Subsection 1:8.5(a) shall be deemed to have been timely paid from amounts previously remitted.

(c) As investigations undertaken by the Commission prior to adoption of this subchapter have resulted in preliminary investigative reports being received on all pending applications and the considerable actual costs paid by the Commission for such investigations have exceeded the aggregate ~~investigation~~ **licensing** cost deposits of all pending applicants, all such deposits of pending applicants shall be considered as having been fully depleted. Pending applicants shall have no further liability with regard to the cost of investigative efforts expended through the filing of the preliminary investigative reports.

(d) Any additional **licensing** investigation **or processing** costs incurred or expected to be incurred with respect to a pending application after the filing of the preliminary report shall be individually assessed by the Commission and paid by the affected applicant in accordance with the provisions of Section 1:8.7.

**1:8.8 9 Slot machine fees**

RESERVED

**1:8.9 10 Casino service industry license fees**

RESERVED

**1:8.10 11 Casino key employee license fees**

RESERVED

**1:8.11 12 Casino employee license fees**

RESERVED

**1:8.12 13 Obligation to pay fees; nonrefundable nature of fees**

(a) Any fee or deposit obligation arising in accordance with the Act or this subchapter shall be due and payable notwithstanding the withdrawal or abandonment of any application or the termination in any manner of an existing license. Each party to an agreement to lease the casino hotel or the land thereunder, to jointly own a casino hotel or the land thereunder, or to manage a casino shall also be liable for any amounts chargeable to the casino licensee or applicant.

(b) Unless otherwise provided, amounts actually paid by an applicant or licensee in accordance with the Act and this subchapter shall not be refundable.

**1:8.13-14 Powers and duties of the Commission**

Nothing in this subchapter shall be construed to limit the powers and duties of the Commission as provided in the Act or the regulations of the Commission.



Commonwealth of the Northern Mariana Islands  
BOARD OF PROFESSIONAL LICENSING  
P.O. Box 2078  
Saipan, MP 96950  
Tel. No.: (670) 234-5897/6040

NOTICE OF PROPOSED AMENDMENTS  
TO THE  
REGULATIONS FOR  
ARCHITECTS, ENGINEERS, LAND SURVEYORS AND LANDSCAPE ARCHITECTS  
OF THE  
BOARD OF PROFESSIONAL LICENSING

The Board of Professional Licensing hereby notifies the General Public that it proposes to amend the Regulations for Architects, Engineers, Land Surveyors and Landscape Architects. Interested persons may obtain copies of the proposed amendment from the Board of Professional Licensing.

Anyone interested in commenting on the proposed amendment may do so within 30 days from the date this notice is published in the Commonwealth Register. Such comments should be sent to:

Chairman  
Board of Professional Licensing  
P.O. Box 2078  
Saipan, MP 96950

Dated this 11<sup>th</sup> day of February, 1992.

Juan Q. Inos  
CHAIRMAN  
Board of Professional Licensing

<b>FILED</b>
at the
OFFICE of the ATTORNEY GENERAL
DATE: <u>2/11/92</u>
TIME: <u>10:00</u> AM PM
BY: <u>Remella Reyes</u>
Asst. REGISTRAR OF CORPORATIONS Commonwealth of the Northern Mariana Islands



Commonwealth of the Northern Mariana Islands  
BOARD OF PROFESSIONAL LICENSING  
P.O. Box 2078  
Saipan, MP 96950  
Tel. No.: (670) 234-5897/6040

**NUTISIA PUT I MAPROPOPONI NA AMENDASION  
PARA REGULASION  
ARCHITECTS, ENGINEERS, LAND SURVEYORS, YAN LANDSCAPE  
ARCHITECTS  
I BOARD OF PROFESSIONAL LICENSING**

I Board of Professional Licensing, ginen este ha nutitisia i pupbliku henerat na manpropoponi para u amenda i Regulasion para i Architects, Engineers, Land Surveyors, yan Landscape Architects. Hayi interesao na petsona, siña mañule kopian i manmapropoponi na amendasion guatu gi ufusinan Board of Professional Licensing.

Hayi malago' mamtinas komentu put i mapropoponi na amendasion, siña macho'gue gi halom trenta (30) dias despues di mapupblika huyong este na nutisia gi Commonwealth Register. Este siha na komentu debi di u ma na fanhanao guatu gi isigiente na address:

Chairman  
Board of Professional Licensing  
P.O. Box 2078  
Saipan, MP 96950

Ma fecha' guine na dia 11<sup>th</sup> Febreru, 1992

Juan Q. Inos, Chairman  
Board of Professional Licensing.

<b>FILED</b>
at the
OFFICE of the ATTORNEY GENERAL
DATE: <u>2/11/92</u>
TIME: <u>10:00</u> <u>AM</u> / PM
BY: <u>Senedia Rojas</u>
REGISTRAR OF CORPORATIONS Commonwealth of the Northern Mariana Islands



Commonwealth of the Northern Mariana Islands

BOARD OF PROFESSIONAL LICENSING

P.O. Box 2078

Saipan, MP 96950

Tel. No.: (670) 234-5897/6040

**ARONGORONG REEL FFÉÉRÚL  
LLIWEL MELLÓL ALLÉGHÚL  
ARCHITECTS, ENGINEERS, LAND SURVEYORS, MB LANDSCAPE  
ARCHITECTS  
LLÓL BOARD OF PROFESSIONAL LICENSING**

Schóol Board of Professional Licensing, rekke arongaar towap igha ebwe fféer liiwel mellól alléghúl Architects, Engineers, Land Surveyors me Landscape Architects. Aramas ye e tipáli nge emmwel schagh bwe ebweló bweibwogh kkoopiyal liiwelil allégh kkaal mellól Bwulasiyool Board of Professional Licensing.

Aramas ye e tipáli bwe ebwe atotoolong meta tipal me mán gemángil reel liiwel kkaal, nge emmwel schagh bwe ebwe féerú llól eliigh (30) rál sáangi igha e toowow arongorong yeel llól Commonwealth Register. Rebwe ischiitiw nge raa afanga ngáli:

Chairman  
Board of Professional Licensing  
P.O. Box 2078  
Saipan, MP 96950

E fféer llól ráatil ye 15<sup>th</sup> Febreero, 1992

Juan Q. Inos, Chairman  
Board of Professional Licensing

<b>FILED</b>
at the
OFFICE of the ATTORNEY GENERAL
DATE: <u>2/11/92</u>
TIME: <u>10:00</u> <u>AM</u> / PM
BY: <u>Araded Reyes</u>
REGISTRAR OF CORPORATIONS
Commonwealth of the Northern Mariana Islands

THE FOLLOWING ARE THE PROPOSED AMENDMENTS TO THE REGULATIONS FOR ARCHITECTS, ENGINEERS, LAND SURVEYORS AND LANDSCAPE ARCHITECTS:

Part XVI. Notification and Filing

16.2 (D) A registrant may not perform work for a corporation or partnership unless that corporation or partnership is in compliance with the registration requirements of the Registrar of Corporations of the Office of the Attorney General.

It is the duty of each registered professional working in the CNMI for a corporation or partnership to obtain and file with the Board a copy of:

1. A Certificate of Registration for a corporation not incorporated in the CNMI (also known as a foreign corporation); or
2. A Certificate of Incorporation for a corporation formed in the CNMI; or
3. A file stamped Partnership Registration statement.

The registrant must file said document with the Board for each corporation or partnership for whom he/she performs work in the CNMI, as such work occurs, and as part of the license application and renewal process.



Commonwealth of the Northern Mariana Islands

BOARD OF PROFESSIONAL LICENSING

P.O. Box 2078

Saipan, MP 96950

Tel. No.: (670) 234-5897/6040

CERTIFICATION OF PROPOSED  
AMENDMENT OF THE  
REGULATIONS FOR  
ARCHITECTS, ENGINEERS, LAND SURVEYORS AND LANDSCAPE ARCHITECTS

I, Juan Q. Inos, Chairman, of the Board of Professional Licensing which is promulgating the Regulations for Architects, Engineers, Land Surveyors and Landscape Architects hereinabove set forth, by signature below hereby certify that such amendment to the Regulations are true, complete, and correct copy of the Regulations for Architects, Engineers, Land Surveyors and Landscape Architects formally amended by the Board of Professional Licensing.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 11<sup>th</sup> day of February, 1992, at Saipan, Commonwealth of the Northern Mariana Islands.

Juan Q. Inos  
CHAIRMAN  
Board of Professional Licensing

<b>FILED</b>
at the
OFFICE of the ATTORNEY GENERAL
DATE: <u>2/11/92</u>
TIME: <u>10:00</u> (AM) / PM
BY: <u>Benedict Rojas</u>
REGISTRAR OF CORPORATIONS
Commonwealth of the Northern Mariana Islands



Commonwealth of the Northern Mariana Islands  
BOARD OF PROFESSIONAL LICENSING  
P.O. Box 2078  
Saipan, MP 96950  
Tel. No.: (670) 234-5897/6040

NOTICE OF ADOPTION  
OF PROPOSED AMENDMENT  
TO THE  
ADMINISTRATIVE REGULATIONS  
OF THE BOARD OF PROFESSIONAL LICENSING

Having received no comments on the proposed amendment to the Administrative Regulations, the Board of Professional Licensing hereby adopts this Regulations as published in the Commonwealth Register on December 15, 1991.

This said regulations takes effect ten (10) days after this publication in the Commonwealth Register.

Dated this 11<sup>th</sup> day of February, 1992.

Juan Q. Inos,  
CHAIRMAN

<b>FILED</b>	
at the	
OFFICE of the ATTORNEY GENERAL	
DATE:	<u>2/11/92</u>
TIME:	<u>10.00</u> (AM) / PM
BY:	<u>Symedea Prognos</u>
REGISTRAR OF CORPORATIONS Commonwealth of the Northern Mariana Islands	





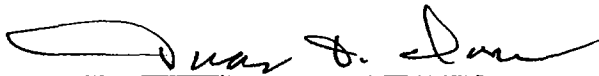
Commonwealth of the Northern Mariana Islands  
BOARD OF PROFESSIONAL LICENSING  
P.O. Box 2078  
Saipan, MP 96950  
Tel. No.: (670) 234-5897/6040

**NUTISIA PUT MA'ADAPTAN I  
MAPROPOPONI NA AMENDASION  
PARA  
REGULASION ADMINISTRADOT  
I BOARD OF PROFESSIONAL LICENSING**

Put taya siha komentu manmaresibe put i manmapropo ni na amendasion para i Regulasion Administradot, i Board of Professional Licensing ginen este ha ha adapta esta este siha na Regulasion ni ma publika huyong gi Commonwealth Register gi Desiembre 15, 1991.

Este siha na Regulasion i fan efektibu gi halom dies (10) dias despues di mapublika gi Commonwealth Register.

Mafechá guine na dia 11<sup>th</sup> Febreru, 1992.

  
JUAN Q. INOS, CHAIRMAN  
Board of Professional Licensing

<b>FILED</b>
at the
OFFICE of the ATTORNEY GENERAL
DATE: <u>2/11/92</u>
TIME: <u>10:00</u> (AM)   PM
BY: <u>Genedio Mafnas</u>
REGISTRAR OF CORPORATIONS
Commonwealth of the Northern Mariana Islands



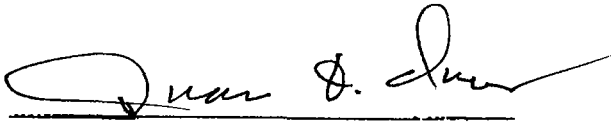
Commonwealth of the Northern Mariana Islands  
BOARD OF PROFESSIONAL LICENSING  
P.O. Box 2078  
Saipan, MP 96950  
Tel. No.: (670) 234-5897/6040

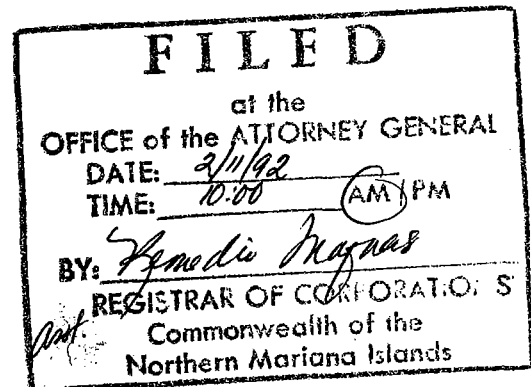
ARONGORONGOL ADOPTION  
REEL PFÉÉRÚL LLIWELIL ALLÉGH  
YE B GHIL NGALI  
ALLÉGHÚL ADMINISTRATIVE-IL  
BOARD OF PROFESSIONAL LICENSING

Igha esóór fóós kka e atotoolong reel lliwelil allégh kka Alléghúl Administrative, nge Board of Professional Licensing aa adaptááilil Allégh kkaal iwe aa takkal toowow llól Commonwealth Register wóol Disembre 15, 1991.

Allégh kkaal nge ebwe aléghéleghéló llól seigh(10) rál sáangi igha e toowow arongorong yeel llól Commonwealth Register.

E fféer llól rááilil ye 11 <sup>th</sup> Febreero, 1992.

  
\_\_\_\_\_  
Juan Q. Inos, Chairman  
Board of Professional Licensing



The Board of Professional Licensing hereby adopts the amendment to the Administrative Regulations should be as follows:

PART V QUORUM. "The concurrence of four (4) Board members may be obtained at a regular or special meeting by the physical presence of the members at a meeting, or in the absence of four (4) Boards members being physically present at a meeting, by a vote of an absent Board member by telephone conference during the meeting or by a written vote submitted by a conference during the meeting or by a written vote submitted by a Board member to the Board Administrator within two (2) weeks following said meeting."



Commonwealth of the Northern Mariana Islands

BOARD OF PROFESSIONAL LICENSING

P.O. Box 2078

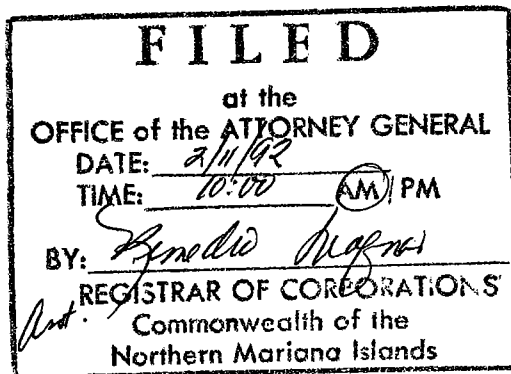
Saipan, MP 96950

Tel. No.: (670) 234-5897/6040

CERTIFICATION OF ADOPTION  
OF AMENDMENT TO THE  
ADMINISTRATIVE REGULATIONS  
OF THE BOARD OF PROFESSIONAL LICENSING

I, Juan Q. Inos, Chairman of the Board of Professional Licensing which is promulgating the Administrative Regulations hereinabove set forth, by signature below hereby certify that such amendment to the Regulations are true, complete, and correct copy of the Regulation formally adopted by the Board of Professional Licensing.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 11<sup>th</sup> day of February, 1992, at Saipan, Commonwealth of the Northern Mariana Islands.



Juan Q. Inos  
CHAIRMAN  
Board of Professional Licensing



Department of Finance  
Office of the Director  
Commonwealth of the Northern Mariana Islands  
P.O. Box 234 CHR  
Saipan, MP 96950

Cable Address  
Gov. NMJ Saipan  
Phone: 322-3245-3246  
Facsimile: 322-4310

February 14, 1992

**PUBLIC NOTICE**

**PROPOSED**


**REVENUE AND TAXATION REGULATIONS NO. 1200**

The Director of the Department of Finance hereby provides public notice of proposed Revenue and Taxation Regulations No. 1200. Revenue and Taxation Regulations No. 1200 provide for the day to day operation of Revenue and Taxation, defines casual transactions and sources within the CNMI for purposes of the BGRT, provides for revised regulations for tax appeals, control over the licensing, movement, and relocation of poker machines, and the procedures for the exclusion of charities from the BGRT. Proposed Revenue and Taxation Regulations 1200 are to be promulgated under the authority given to the Director of Finance at 1 CMC §2557.

Written comments regarding the proposed regulations must be received by March 15, 1992, and addressed to:

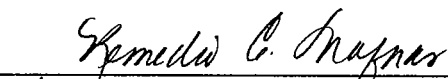
Director of Finance  
P.O. Box 5234 CHR  
Saipan, MP 96950

Issued by:

  
\_\_\_\_\_  
ELOY S. INOS  
Director of Finance

  
\_\_\_\_\_  
Date

Filed and  
Recorded by:

  
\_\_\_\_\_  
for: SOLEDAD B. SASAMOTO  
Registrar of Corporations

  
\_\_\_\_\_  
Date



Department of Finance  
Office of the Director  
Commonwealth of the Northern Mariana Islands  
P.O. Box 234 CHRB  
Saipan, MP 96950

Cable Address  
Gov. NMJ Saipan  
Phone: 322-3245-3246  
Facsimile: 322-4310

Febreru 14, 1992

NOTISIAN PUBLIKO


REVENUE YAN TAXATION REGULASION 1200

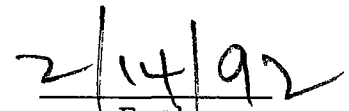
I Direktot i Fainansiat ha na huyong este na Notisian Publiko pot i mapropoponi na regulasion i Revenue yan Taxation Numeru 1200. I mapropoponi na Regulasion Revenue yan Taxation Numeru 1200 ha na guahahaye areglo para i kada dia na operation i Dibision i Revenue yan Taxation; pot definision i casual transactions, yan hinalom ginanan salape komo tinitika i tax; pot i maadministran i makonfotma siha na alegro yan seneda i Revenue yan Taxation; yan lokue, pot manera i mobimienton makinan Poker yan lisensia. Este i mapropoponi na regulasion i Revenue yan Taxation Numero 1200 manahuyong ginen i autoridad ni manai i Direktot i Fainansiat gi papa i 1 CMC Seksiona 2557.

Todo petsonas yan individuat nui man tineteka pat man gai interes nuste siha na regulasion sina matugi i kinentran-niha, sapottasion-niha, pat opinion-niha ya uma satmite halom antes de i Matso dia kinse, 1992 gi sigente na address:

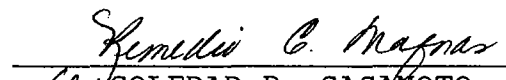
Director of Finance  
P.O. Box 5234 CHRB  
Saipan, MP 96950

Pineblika As:

  
\_\_\_\_\_  
ELOY S. INOS  
Direktot i Fainansiat

  
\_\_\_\_\_  
Fecha

Mafiled yan  
Renihistra As:

  
\_\_\_\_\_  
SOLEDAD B. SASAMOTO  
Registrar of Corporations

  
\_\_\_\_\_  
Fecha



Department of Finance  
Office of the Director  
Commonwealth of the Northern Mariana Islands  
P.O. Box 234 CHRB  
Saipan, MP 96950

Cable Address  
Gov. NMJ Saipan  
Phone: 322-3245-3246  
Facsimile: 322-4310

I, Eloy S. Inos, the Director of the Department of Finance who is publishing the proposed Revenue and Taxation Regulations No. 1200, by signature below hereby certify that Revenue and Taxation Regulations No. 1200 are a true, correct, and complete copy of the regulations proposed by the Department of Finance for the Division of Revenue and Taxation. I further request and direct that this certification and the proposed Revenue and Taxation Regulations No. 1200 be published in the Commonwealth Register.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 14th day of February, 1992 at Saipan, Commonwealth of the Northern Mariana Islands.

ELOY S. INOS  
Director  
Department of Finance

DEPARTMENT OF FINANCE  
REVENUE AND TAXATION REGULATIONS 1200

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**DEPARTMENT OF FINANCE**  
**PROPOSED**  
**REVENUE AND TAXATION REGULATIONS**

1200

**Part I - Section 1200, GENERAL PROVISIONS**

**Section 1200.1. Authority.** The authority for the promulgation and issuance of Revenue and Taxation Regulations No. 1200 is by virtue of 1 CMC §§ 2553 and 2557.

**Section 1200.2. Purpose.** The purpose of the regulations is to establish policy and procedures to implement and provide uniform enforcement of the tax laws of the Commonwealth of the Northern Mariana Islands and other laws delegated to and administered by the Division of Revenue and Taxation and to establish administrative appeals system.

**Section 1200.3. Organization.** Revenue and Taxation, a division of the Department of Finance established pursuant to 1 CMC §2557 shall be headed by a chief. The chief shall be responsible for the day to day operations of the Division of Revenue and Taxation. In order to carryout its responsibilities, the Division of Revenue and Taxation hereby establishes the following activity branches:

(a) **Technical Research and Appeals Branch.** The Technical Research and Appeals Branch shall be headed by a manager and is responsible for:

- (i) the administrative appeals system,
- (ii) research and support service,
- (iii) technical resource and library service,
- (iv) review,
- (v) disclosure.

(b) **Compliance Branch.** The Compliance Branch shall be headed by a manager and is responsible for:

- (i) taxpayer assistance service,
- (ii) tax return examinations,
- (iii) taxpayer compliance program,
- (iv) data entry,
- (v) file maintenance.

(c) **Collection and Remittance Branch.** The Collection and Remittance Branch shall be headed by a manager and is responsible for:

- (i) tax returns processing,
- (ii) accounts billing,
- (iii) field collection,
- (iv) cashier function,

(v) regulatory.

**Section 1200.4. Function**

(a) The Division of Revenue and Taxation shall administer and enforce all provisions of Title 4, Division 1 of the Commonwealth Code (except those provisions specifically delegated to the Customs Service and provisions administered and enforced by other government agencies), the United States Internal Revenue Code of 1954, as amended, and its accompanying regulations as made applicable to the Commonwealth of the Northern Mariana Islands pursuant to Section 601 of the Covenant, and these and other regulations delegated to the Division of Revenue and Taxation under the supervision of the Chief of Revenue and Taxation. Revenue and Taxation shall also be responsible for taxpayer assistance, audit of returns and other investigative activities, collection of revenue, execution of liens and levy, claims processing, licensing and inspection of all poker and amusement machines, and taxpayer conference activity.

(b) The Division of Revenue and Taxation of the Commonwealth of the Northern Mariana Islands shall maintain all records and documents associated with the administration and enforcement of the tax laws and related regulations. Only authorized employees of the Division of Revenue and Taxation shall have access to these records and documents. Employees of the Division of Revenue and Taxation are prohibited from making any unauthorized disclosure to any person regarding another person's records, tax returns, and return information maintained pursuant to law and these and other related regulations.

**Section 1200.5. Rota and Tinian District Offices.**

The Division of Revenue and Taxation shall have district offices in Rota and Tinian for its activities in these senatorial districts. The functions of the district operations shall be under the supervision of the Director of Finance or his designee. Personnel supervision of the district offices shall be under each respective Resident Director of Finance, Office of the Mayor.

**Section 1200.6. Regulations Superseded.** Revenue and Taxation Regulations No. 1200 supersedes all rules and regulations published prior to November 15, 1991, including those rules and regulations issued under Revenue and Taxation Regulations No. 8301 and all amendments thereto.

**Section 1200.7. Definitions.**

(a) Annual - For purposes of 4 CMC Division 1, the term "annual" as used in these regulations and in 4 CMC Division 1, unless the context otherwise requires, means a calendar year.

(b) Board of Directors, Payment to Members of - Compensation for personal services to any person who is a member of any board of directors shall be taxed pursuant to 4 CMC Section 1201.

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(c) Casual Transaction - Casual transaction is defined in Section 1202.4 of these regulations.

(d) Chief - The word "Chief" means the Chief of the Division of Revenue and Taxation, unless the context otherwise requires.

(e) Commonwealth - The word "Commonwealth" means the Commonwealth of the Northern Mariana Islands as defined in 4 CMC Section 1103(d), unless the context otherwise requires.

(f) Consumer - The word consumer means a person, as defined in 4 CMC Section 1103(q), who receives, purchases, uses, conserves, dissipates and squanders goods and services, and including electrical power, water, and sewer services rendered by the Saipan Utility Agency and its successors.

(g) Director - The word Director means the Director of the Department of Finance of the Commonwealth Government of the Northern Mariana Islands.

(h) Manufacture - For the purpose of these regulations, the term "manufacture" shall mean the art of making raw material into a product suitable for use, sale, lease, or rental, and includes the technique and methods of converting finished merchandise into another product for use, sale, lease, or rental.

(i) Military and Naval Forces of the United States - Wages and salaries received from the United States by members of the Armed Forces of the United States shall be exempt from tax on wages and salaries under 4 CMC Section 1201 as a result of active duty service. Other wages and salaries earned in the Commonwealth of the Northern Mariana Islands shall be deemed taxable under the provisions of this Act.

(j) Normal Working Hours/Days - The term "normal working hours" or "normal working days" means those established hours or days scheduled by the Chief to be worked up to maximum of eight (8) hours per day and forty (40) hours per week.

(k) Ocean Shippers - For purposes of 4 CMC Division 1 and these regulations, the term "ocean shippers" means individual, partnership, corporation, association, and other persons who are engaged in the business of shipping goods, wares, merchandise and other commodities. Persons who are engaged in the business of transporting people, and persons who act as agent of ocean shippers are not qualified for the exemption under 4 CMC section 1303.

(l) Person - The word "person" means any individual, firm, corporation, association, partnership or joint venture.

(m) Professional, Payment to - Awards and other compensation for winning in a professional match to any person who

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is certified professional in the field of competition shall be taxed pursuant to Section 301 of Public Law 3-11.

(n) Public Utility - The term "public utility means any business organization that owns, controls, operates, or manages a business supplying or furnishing the public with commodities, equipments, or services such as telephone, telegraph, electricity, airlines, and shipping lines.

(o) Raw Material - An article or merchandise that is changed in form or substance or combined with other article(s) in a manufacturing process to become a part of a finished product or to form a new product which is produced in a factory.

(p) Working Days - The term "working days" includes holiday work, paid annual and sick leaves, and administrative leave.

**Section 1200.8. Reserved for Other Definitions -**



Part II - SECTION 1201, WAGES AND SALARY TAX

Section 1201.1 Wages and Salaries.

(a) All wages and salaries paid to any employee or other individual are considered income from sources within the Commonwealth if-

(1) the services performed are for an employer or other person residing in the Commonwealth, and

(2) the services are physically performed within the Commonwealth.

(b) Wages and salaries paid to any employee or other individual for services rendered outside the Commonwealth are considered income from sources within the Commonwealth if -

(1) the services performed are for an employer or other person residing in the Commonwealth, and

(2) the services performed outside the Commonwealth is for an aggregate of not more than 90 working days during the taxable year.

(c) Wages and salaries paid to any employee or other individual for services rendered within the Commonwealth are considered income from sources within the Commonwealth if -

(1) the services performed are for an employee or other person residing without the Commonwealth, and either

(2) the labor or services performed by an employee or other individual temporarily present in the Commonwealth for a period or periods exceed a total of 90 working days during the taxable year, or

(3) the aggregate compensation received by an employee or other individual for labor or services performed in the Commonwealth exceeds \$1,000.

Example (1) - Ms. Dorothy Mae, a secretary, accompanied Mr. Jason Peter to Saipan on five different occasions in 1990. Both Ms. Mae and Mr. Peter are employees of a food chain business in Hong Kong. Their trips to Saipan were all on business. Ms. Mae was in the Northern Marianas for 45 days and received a salary of \$750. Mr. Peter received \$1,500 for the same period.

Ms. Mae's income is not considered income from sources within the Commonwealth since she is present in the Northern Marianas for less than 90 days and her salary is less than \$1,000. She is not required to pay the wage and salary tax.

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However, Mr. Peter's income is deemed income from sources within the Commonwealth since his salary exceeds the \$1,000 limitation. Mr. Peter is required to pay the wage and salary tax.

Example (2) - Mr. Carlos Anthony, an employee of a manufacturing company in New York, came to Saipan to gather data necessary to determine the feasibility of assembling toys in the Northern Marianas for export. Mr. Anthony made several trips to the Northern Marianas in 1990 and spent a total of 30 days on Saipan. His annual salary is \$60,000 a year. Mr. Anthony is required to file a wage and salary tax return and pay tax on the \$5,000 which he earned during his 30-day stay in the Commonwealth.

(d) Payments received by any employee or other individual for annual leave, sick leave, administrative leave, holiday work, or any and all other types of compensatory leave, shall be deemed as having been made for services physically performed within the Commonwealth, if such payments are received from an employer or other person residing in the Commonwealth.

(e) **Exception.** The provision of 4 CMC §1103(u) shall not apply to any individual whose presence and/or absence in and from the Commonwealth of the Northern Mariana Islands is to secure returns and return information in accordance with the Returns and Return Information Exchange Agreement as provided for in §4.1812.1 of these regulations.

**Section 1201.2. Sources Within the Commonwealth.**

**(a) Definition of Sources Within the Commonwealth-Determination of Sources of Income.**

(1) The determination of sources of income as it relates to wages and salary shall be made in accordance with 4 CMC Section 1103(u) as amended, and the United States Internal Revenue Code of 1954, the ("Code"), and the Treasury Regulations issued under the Code, as made applicable to the Commonwealth pursuant to Section 601 of the Covenant and Title 4 Division 1 of the Commonwealth Code.

(2) 4 CMC Section 1103(u) defines sources within the Commonwealth for certain taxable events. Section 1103(u)(1) defines certain wages and salaries as income from sources within the Commonwealth. All other source issues are defined in accordance with the mirror image application of the Code and its accompanying regulations. The mirror image application of Code Sections 861 through 864 determine most source income questions.

**Section 1201.3. Withholding of Tax by Payor.** The withholding of tax by any payor upon the wages and salary of any person shall be made in accordance with Section 4.1804(a).

Part III - SECTION 1202, GROSS REVENUE TAX

**Section 1202.1 Business Subject to Taxation.** Unless specifically excluded by 4 CMC Section 1103(c) and other provisions of law and these regulations, every person who carries on any activity within the Commonwealth for either direct or indirect economic benefit shall constitute a business and therefore is subject to the gross revenue tax under 4 CMC Section 1301.

**Section 1202.2. Combined Business Activities.** A business consisting of two or more separate and distinct businesses would pay the tax on the combined gross revenue of all the businesses. The combined gross revenue of all the businesses, including the gross revenue of branches and subsidiaries from without the Commonwealth, would be reported on one return. However, gross revenue which is taxed under 4 CMC Sections 1302 and 1304 shall be reported on a return prescribed for each section, and the taxes paid therefrom.

Example (1) - Mr. Walker owns a retail store and a garage in Chalan Kanoa with branches in San Roque. In addition, Mr. Walker owns a snack bar in San Vicente and a night club in Garapan. The combined gross revenue of all his sales from the retail stores, garages, snack bar, and the night club would be reported on one return for each quarter in the taxable year. The tax is levied on the combined gross revenue.

Example (2) - The XYZ Corporation is doing business as Marianas Enterprises. This enterprise is comprised of the following business activities:

<u>Activity</u>	<u>Location</u>
Finance Company	Chalan Kanoa
Department Store	Garapan
Travel Agency	Susupe
Pizza Parlor	Garapan
Hardware Store	San Antonio

The combined gross revenue of the five business activities in various locations is reported on one return for each of the quarters in the taxable year. The tax is computed on the combined gross revenue.

Domestic corporations must also include the gross revenue of their branches and subsidiaries both within and without the Commonwealth in reporting the parent corporation's returns and paying the business gross revenue tax.

Example (3) - Company ABC is a partnership operating similar business activities to those shown in the preceding example (2). The combined gross revenue of the five activities is reported on one return for each of the

quarters in the taxable year, and the tax is imposed on the combined gross revenue.

**Section 1202.3. Definitions Relating to Gross Revenues of Business.**

(a) Exclusion of Taxes Collected - Gross revenue as defined by 4 CMC Section 1103(k) does not include business revenue or receipts which represent taxes imposed upon the purchaser by a taxing authority and collected by the seller. Taxes imposed by 4 CMC Section 1301 are not imposed upon the purchaser of goods, but are imposed upon the gross revenue of a business.

Example (1) - Mr. Z owns a movie theater. The price of a ticket is 75¢ per person which includes a Municipal imposed 10¢ head tax on each ticket. Mr. Z would report his gross revenue on the basis of 65¢ per ticket and exclude the amount of the head tax.

Example (2) - Mr. X owns a grocery store. He is subject to the Business Gross Revenue Tax pursuant to 4 CMC Section 1301. In this case, the Business Gross Revenue Tax is imposed upon the sales price of goods and collected from the purchaser. The total sales price is gross revenue to Mr. X.

(b) Exclusions of Amounts Not Collected - Gross revenue as defined by 4 CMC Section 1103(k) does not include revenues which are accrued but which are subsequently found to be uncollectible. The amounts of such accrued revenue which are determined to be uncollectible may be deducted from the gross revenue in the year in which it is determined that the revenue is not collectible, provided that the uncollectible amounts were accrued after April 1, 1976. No deduction will be allowed unless a serious effort was made to collect the debt. This may include legal action or other collection efforts.

Example - A business sells merchandise both for cash and on credit, establishing accounts receivable for the credit sales. In 1981, this business has the following sales:

Cash	\$20,000
Credit	<u>15,000</u>
Total	<u>\$35,000</u>

The business pays tax on \$35,000 for 1981. As of December 31, 1981, the business had uncollected accounts receivable in the amount of \$2,400. If in 1982, the business found that no part of the \$2,400 could be collected after a serious effort was made to collect the debt and so recorded this in its accounting records, the amount written off would be deducted from the taxable gross revenue for 1982. If in 1984, the business recovered any part of the amount written off and deducted

in 1982, the total amount collected should be included in the 1984 business gross revenue tax returns of the business.

**Section 1202.4. Casual Transactions.** The gross revenue from the combined annual sales, lease, and rental of any property, real or personal, tangible or intangible, and all receipts of \$5,000 or less, by any person, except in connection with a trade or business, shall be considered "casual sales" and therefore exempt from the tax on gross revenues.

(a) Irrespective of the amount of gross revenue which may be exempt, a business gross revenue return must be filed for the quarter in which combined gross revenue of over \$1000 are made from sales, leases, and rentals. A refund, if due, will be made only after the close of the taxable year pursuant to 4 CMC Section 1809.

Example - Mr. John Doe Torres sold and/or received the following items within a calendar quarter:

One used car	\$ 1,500
Electrical Range	300
Electric Clothes Dryer	200
Gross Gambling Winnings	2,000
Interest Income	200
Dividend Income	500
Color Television	350
Total	<u>\$ 5,050</u>

Mr. Torres must file a business gross revenue return for the quarter in which the sales and/or receipts were made, since the total amount exceeded \$1,000.

(b) The lease, rental, or sale of real or personal property, tangible or intangible, in excess of \$5,000, whether a one time or isolated sale or whether or not connected with a trade or business, shall be deemed subject to the tax on gross revenue, pursuant to 4 CMC Section 1301.

**Section 1202.5. Other Gross Revenue Tax Exemption.**

(a) The following entities may apply to the Division of Revenue and Taxation for an exemption from the Business Gross Revenue Tax:

(1) Corporations, associations, trusts, or societies organized and operated exclusively for religious, charitable, scientific, or educational purposes or the preservation of the culture historically indigenous to the Northern Marianas;

(2) Business leagues, chamber of commerce, boards of trade, civic leagues, public schools, and organizations operated exclusively for the benefit of the community and for the promotion of social welfare, and from which no profit inures to the benefit of any private stockholder or individual;

(3) Hospitals, medical, dental, and vision clinics from which no profit inures to the benefit of any private stockholder or individual, and are non-profit organizations under the NMTIT or CNMI government facilities;

(4) Fraternal benefit societies, orders, or associations, operating under the lodge system, or for the exclusive benefit of the members of the fraternity itself, operating under the lodge system, and providing for the payment of death, sick, accident, prepaid legal services, or other benefits to the members of such societies, orders, or associations, and to their dependents;

(b) The exemptions enumerated in (a) above shall apply only:

(1) To those persons who shall have registered with the Division of Revenue and Taxation on or before March 31 of each calendar year, or within one month prior to the commencement of business, by filing a written application for registration in such form as the Division shall prescribe, and shall have paid for the registration a fee of \$10.00, and shall have had the exemption allowed by the Division or by a court of competent jurisdiction upon appeal from any assessment resulting from disallowance of the exemption by the Division; and

(2) To activities from which no profit inures to the benefit of any private stockholder or individual, except for death or other benefits to the members of fraternal societies; and

(3) To the fraternal, religious, charitable, scientific, educational, communal, or social welfare activities of such persons, or to the activities of such hospitals, and infirmaries, medical, dental, and vision clinics as such, and not to any activity the primary purpose of which is to produce income even though the income is to be used for or in furtherance of the exempt activities of such person.

(c) In order to obtain allowance of an exemption an application for exemption shall be filed in the form of an affidavit or affidavits setting forth in general all facts affecting the right to the exemption and such particular facts as the department may require, to which shall be attached such records, papers, and other information as the Division may prescribe. Such application for exemption shall be filed on or before March 31 of the first year of registration or within 30 days prior to the commencement of business. In the event of an allowance of the exemption no further application therefor need be filed unless there be a material change in the facts, but such person nevertheless shall register annually.

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(d) The Division for good cause may extend the time for registration or the time for filing an application for exemption, but the extension or extensions shall not aggregate more than a total of two months.

(e) Organizations who have applied for and been granted the exemption at §1202.5(A) by the Division of Revenue and Taxation may apply to the Division for an exemption from the Business Gross Revenue Tax for the gross receipts received:

- (1) from a carnival, fiesta, dance, athletic performance, "Las Vegas Night" or other similar entertainment, sponsored by such organization, the profits of which are to be used exclusively for, or in furtherance of, the regular activities of such organization, and shall not accrue in whole or in part to the benefit of any private stockholder or individual.

(f) A trade or business conducted by an exempt organization, as defined at §1202(5)a, on a regular basis shall not qualify for an exemption from the Business Gross Revenue Tax unless the activity is related to the purpose for which the organization received the exemption. The production of funds alone is not a related purpose.

- (1) Whether the activities of an organization are regular shall be determined by the regulations under NMTIT 513 concerning the unrelated trade or business of non-profit organizations [1.513)c)]. However, the specific exemptions under NMTIT §512 and §513 shall not apply. Only the specific exemptions contained in BGRT regulations shall apply to exemptions of the Business Gross Revenue Tax.

(g) In order to obtain an allowance of an exemption for an activity listed in (e) above, an application for exemption shall be filed in the form of an affidavit or affidavits setting forth in general all information concerning the exempt organization and the activity as may be requested by the Division of Revenue and Taxation and pay the required fee of \$10.00.

(h) Such application shall be filed with the Division of Revenue and Taxation at least thirty (30) days prior to the day or the first day, for events lasting more than one day, on which the activity or activities enumerated in paragraph (e) above, will occur.

(i) Exemption from the BGRT on the Sale of Raffle Tickets.

- (1) The sale of raffle tickets shall be exempt from the exempt from the Business Gross Revenue Tax only if:

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(A) No benefit from the sale of the raffle tickets inures, in whole or in part, to the benefit of any private stockholder or individual.

(B) The organization selling the raffle tickets has applied for and been granted status as an organization exempt from the Business Gross Revenue Tax by the Division of Revenue and Taxation.

(C) Raffle tickets are registered with the Division of Revenue and Taxation at least 30 days before the date that tickets begin to be sold;

(D) The organization prepares an accounting of the proceeds from raffle tickets on a quarterly basis where raffle tickets are sold in more than two quarters the year, and within 30 days of the drawing or award of prizes where raffle tickets are sold if the sale of raffle tickets occur in two quarters or less of the year.

(i) The accounting in (4) above shall be filed with the Division of Revenue and Taxation.

(ii) The deadlines for each quarter shall be the same as the deadlines for filing BGRT returns.

(iii) The accounting shall require such affidavit(s) as Revenue and Taxation shall require.

(2) An exemption from the BGRT on the sale of raffle tickets shall not be denied on the basis that raffle tickets are sold by the exempt organization on a regular basis.

Examples:

(A) The University of A operates a book store for the benefit of its students. The public may also use the book store. Even though the book store is a regular activity of the University, the University of A will receive an exemption from the Business Gross Receipts Tax because the book store is related to the educational purpose for which the University received the exemption as an organization.



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(B) People United Against X, exempt from the business gross revenue tax as an organization operated for the benefit of the community and for the promotion of social welfare, sells lunch to the public every Tuesday in order to raise funds to operate its exempt organization. Since selling lunch to the public every Tuesday is a regular activity, People United Against X will not receive an exemption from the Business Revenue Tax on the gross receipts from its sale of lunches.

(C) The Church of A, exempt from the Business Gross Revenue Tax as a religious organization, holds a yearly fiesta. Since a yearly fiesta is not considered a regular activity under the regulations at NMTIT §513, the Church of A will be granted an exemption from the Business Gross Revenue Tax.

**Section 1202.6. Sources Within the Commonwealth.**

**(a) Definition of Sources Within the Commonwealth-Determination of Sources of Income.**

(1) The determination of sources of income as it relates to gross revenue is made in accordance to 4 CMC Section 1104(u), as amended, and the United States Internal Revenue Code of 1954, the ("Code"), and the Treasury Regulations issued under the Code, as made applicable to the Commonwealth pursuant to section 601 of the Covenant and Public Law 4-24.

(2) 4 CMC Section 1103(u) defines sources within the Commonwealth for certain taxable events. Section 1103(u)(2) defines business gross revenue derived from a contract between a business and the Commonwealth Government as income from sources within the Commonwealth. All other source issues are defined in accordance with the mirror image application of the Code and its accompanying regulations. The mirror image application of Code Sections 861 through 864 determine most source income questions.

(3) For purposes of Business Gross Revenue Tax, sources within the Commonwealth as defined in the Internal Revenue Code shall also mean "within" the Commonwealth.

**(c) Government Contracts.**

(1) For periods before June 1, 1982, the source of income earned by a person, other than an employee or other individual, under any contract to which the person and the Commonwealth Government are parties shall be determined in accordance with Sections 861 through 864 of the United States Internal Revenue Code of 1954.

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(2) For periods after May 31, 1982, any fund received by a person, other than an employee or other individual, under any contract to which the person and the Commonwealth Government are parties is deemed to be from sources within the Commonwealth.

(3) Tax rates on business gross revenue in effect on the date in which a contract with the Commonwealth Government was let shall be made applicable throughout the duration of the contract or subcontract, except that this paragraph shall not apply to any change made on the original contract or subcontract.

(4) Gross revenue received as a result of changes in an original contract or a subcontract is taxed at prevailing tax rates without consideration to periods and duration of the change(s).

(d) **Other Contracts.**

(1) The source of income for any revenue earned from a contract with a person, other than the Commonwealth Government, is determined by Sections 861(a) and 862(b) of the United States Internal Revenue Code of 1954.

(2) Gross revenue earned by a person from a contract agreement with another person, other than the Commonwealth Government, is subject to the prevailing rates of the business gross revenue tax. All changes in the business gross revenue tax rates shall be made applicable to such gross revenue. This applies also to changes made in an original contract agreement, as well as subcontracts.

**Section 1202.7. Quarterly Returns and Payment of Tax.** Every person subject to the Business Gross Revenue Tax must report the gross revenue of the business and pay the tax thereon in accordance to Section 4.1805 of these regulations.

**Section 1202.8. Agricultural Producers and Fisheries.** The tax on agricultural producers and fisheries is at the rate of one percent (1%) of gross revenues in excess of \$20,000. Agricultural producers and fisheries will be allowed an exemption of \$5,000 each quarter, cumulative by quarter, to a total of \$20,000 per annum. The total statutory exemption of \$20,000 will be allowed on the fourth quarterly return for the taxable year. Taxpayers who terminate, dissolve, or sell their business during a taxable year must conform to Section 4.1804(b). An application will be necessary to receive a refund of any overpayment of tax.

**Section 1202.9. Manufacturers, Ocean Shippers, and Wholesalers.**

(a) Businesses solely deriving gross revenue from manufacturing, ocean shipping, and wholesaling are taxed at the rate of 2% on the entire gross revenue.

(b) The provision of 4 CMC Section 1303 applies to all businesses consisting of two or more separate and distinct businesses. Such businesses would pay the tax of 4 CMC Section 1301 on the combined gross revenue of the business from activities other than manufacturing, ocean shipping and wholesaling. Any additional gross revenue from wholesaling, ocean shipping, and manufacturing is taxed at the rate of two percent.

**Section 1202.10. Banks, Banking Institutions, Building and Loan Associations, and other Financial Institutions.**

The tax on the operation of any bank, banking institution, building and loan association, and other lending institutions shall be equivalent to five percent (5%) of the net income received from such business or two percent (2%) of the gross revenue whichever is greater.

**Section 1202.11. Exemption of Exporters -Requirements.**

Any person having gross revenue from the sale of goods, resources, food or agricultural produce which was delivered outside of the Commonwealth of the Northern Mariana Islands is exempted from any tax levied under 4 CMC Division 1, Chapter 3, upon the gross revenue derived solely from such export sales. However, a quarterly tax return must be filed regardless if no tax is due and a statement verifying the amount and destination covered by the exemption.

Part IV - SECTION 1203, INCOME TAX

Section 1203.1. General Provisions.

(a) Pursuant to Public Law 4-24, the provisions of Section 601 of the Covenant shall become fully implemented beginning after December 31, 1984, in accordance with Section 4.1702.1 of these regulations. The IRC is known as the Northern Marianas Territorial Income Tax or "NMTIT". This provision is promulgated for the implementation of the NMTIT.

(b) Pursuant to 4 CMC §1701(b), the Governor as the Secretary of the Treasury, delegates his authority and designates the Director of Finance (DOF) in accordance with 4 CMC §1818 and by virtue of this subsection, has the broad power and authority to promulgate needful and necessary rules and regulations for the proper administration of all tax laws.

Section 1203.2. The NMTIT (IRC) and the regulations thereunder are adopted and defined to include the following subtitles and chapters.

(a) Subtitle A. Income Taxes.

(1) Chapter 1. Normal Taxes and Surtaxes, but excluding subchapter (n), Part III Subpart (D), the possessions of the United States, but not excluding §935.

(2) Chapter 3. Withholding of Tax on Nonresident Aliens and Foreign Corporations.

(3) Chapter 4. Rules Applicable to Recovery of Excessive Profits on Government Contracts.

(4) Chapter 5. Tax on Transfers to Avoid Income Taxes.

(5) Chapter 6. Consolidated Returns.

(b) Subtitle C. Employment Taxes.

(1) Chapter 24. Collection of Income Tax at source on Wages.

(2) Chapter 25. General Provisions Relating to Employment Taxes.

(c) Subtitle F. Procedure and Administration, except as provided for in this regulation.

(1) Chapter 61. Information and Returns. (See §4.1818.6, Forms and Returns).

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(2) Chapter 62. Time and place for Paying Tax, except as provided for on §1203.17(C) and §1204.20 of these regulations.

(3) Chapter 63. Assessment.

(4) Chapter 64. Collection.

(5) Chapter 65. Abatements, Credits, and Refunds.

(6) Chapter 66. Limitations.

(7) Chapter 67. Interest.

(8) Chapter 68. Additions to the Tax, Additional Amounts, and Assessable Penalties.

(9) Chapter 70. Jeopardy, Receiverships, etc.

(10) Chapter 71. Transfers and Fiduciaries.

(11) Chapter 72. Licensing and Registration.

(12) Chapter 73. Bonds.

(13) Chapter 74. Closing Agreements and Compromises.

(14) Chapter 75. Crimes, Other Offenses, and Forfeitures.

(15) Chapter 76. Judicial Proceedings.

(16) Chapter 77. Miscellaneous Provisions.

(17) Chapter 78. Discovery of Liability and Enforcement of Title.

(18) Chapter 79. Definitions.

(19) Chapter 80. General Rules.

**Section 1203.3. The NMTIT Future Amendments:**

(a) All future amendments to the IRC taking effect after January 1, 1985, are adopted and incorporated therein by Commonwealth law. The future amendments shall be those affecting subtitles and chapters listed under §1203.2. Any amendments not affecting this list shall not have any effect on the NMTIT.

(b) All present and future United States (U.S.)

(1) Court Cases, Tax Court Cases,

(2) Revenue Rulings,

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- (3) Revenue Procedures,
- (4) Treasury Decisions,
- (5) Revenue Regulations

are adopted to the extent consistent with this chapter, and are applicable in the Commonwealth.

**Section 1203.4. Effect of the Tax Reform Act of 1986.**

(a) Beginning after December 31, 1986, the Commonwealth of the Northern Mariana Islands shall, with the exception of those provisions under Subtitle G of Public Law 99-514, implement the Internal Revenue Code of 1986 in the same manner as the predecessor code, Internal Revenue Code of 1954 was applicable, until such time that the Northern Mariana Islands takes action to amend its tax laws as authorized by §1271 of the reform act.

(b) Until such time that an implementing agreement is in effect between the Northern Mariana Islands and the United States -

(1) amendments made under Subtitle G of the 1986 Tax Reform Act shall not apply to the Northern Mariana Islands, its residents and corporations;

(2) those provisions of law affected by Subtitle G of the reform act shall continue to be in force in the Northern Marianas Islands but in the mirror system, that is, the legal requirements and application at October 21, 1986;

(3) technical and conforming amendments to other chapters, subchapters, parts, subparts, sections, subsections, paragraphs, subparagraphs, and clauses of the Internal Revenue Code of 1954, as amended, as a result of Subtitle G of U.S. Public Law 99-514, shall not apply to the Northern Mariana Islands, its residents and corporations;

(4) regulations published by the United States Treasury for the Internal Revenue Code of 1986 shall be in force in the Northern Mariana Islands except those requirements made to regulate provisions of amendments made under Subtitle G in U.S. Public Law 99-514.

**Section 1203.5. Nonretroactivity.**

(a) the NMTIT shall in all cases be interpreted as subjecting to taxation only that income earned and accrued or received on or after January 1, 1985, except for:

(1) Taxpayers having to continue filing and paying tax under the provisions of the repealed 4 CMC Chapter 7 on income deriving from sources without the Commonwealth.

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(2) Taxpayers arriving in the Commonwealth during and after calendar year 1985 from Guam and the United States.

(3) Subsection (c) of this section, and

(b) The taxpayer's method of accounting, cash or accrual, in use prior to January 1, 1985, will generally continue on for purposes of NMTIT. The taxpayer may elect to have the calendar year as taxable year. Where a taxpayer is on fiscal year, other than a calendar year, with earnings accruing on and after January 1, 1985 to the fiscal year end. The taxpayer shall file for a short year and pay taxes based on Example 2 on §1203.5(B) shall be applicable.

Example 1. Fiscal Year. Taxpayer C is on fiscal year, July 1 to June 30, . the gross income form July 1, 1984 to June 30, 1985 is \$100,000.00 of which \$50,000.00 is earned from July 1, 1984 to December 31, 1984; the other half is earned from January 1, 1985 to June 30, 1985.

The cost of goods sold from January 1, 1985 to June 30, 1985 is \$35,000.00 with \$10,000.00 of "ordinary and necessary" business deductions of which \$5,000.00 is incurred in 1985. C would report and pay tax on the first \$50,000.00 base on 4 CMC Chapter 3 on January 1985; the second half is taxed base on the following illustration:

Gross Income	\$50,000
Less: Cost of Goods Sold	<u>(35,000)</u>
Gross Margin	15,000
Less: Business Deductions	<u>( 5,000)</u>
Net Income	<u>\$10,000</u>

C may determine the full tax liability on the complete fiscal year income, inclusive of income prior to January 1, 1985, and allocate the tax liability by applying a percentage method on the number of days, or months prior to and after January 1, 1985 to the fiscal year end.

Example 2. Taxpayer Corporation D is on a fiscal year ending March 30, 1985. The Corporation sales for fiscal year 1984 is \$200,000.00. Cost of goods sold totaled \$125,000.00. Corporation D incurred ordinary and necessary business deduction of \$25,000.00. Corporation D is unable to determine its income from January 1, 1985 to March 30, 1985. Corporation D may allocate base on the following taxable income:

Gross Income	\$200,000
Less: Cost of Goods Sold	<u>(125,000)</u>
Gross Profit	75,000
Less:	
Ordinary & Necessary	

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Business Deductions	<u>25,000</u>
Taxable Income	\$ 50,000
Allocation: 3/12x50,000	12,500

\$12,500.00 is deemed earned for the period beginning January 1, 1985 to March 30, 1985.

C (D) would report the \$10,000(\$12,500) or the amount determine by M on the percentage method on the 1985 income tax return if:

	<u>Individual</u>	<u>Corporation</u>
on Forms	1040CM	1120 or 1120S
and pay estimated tax quarterly on Form	500	500

which are due on the dates provided on §1203.17(C)(b).

(C) Special Rule on Employee's Benefits.

(a) Paid Time-off. Under normal circumstances benefits or compensation for:

- (1) Vacation Pay,
- (2) Annual Leave,
- (3) Sick Pay,
- (4) Sick Leave, and
- (5) all other paid time-off,

are provided on the basis of prior (years) services but may be for future (years) services, and normally, such benefits are earned through rendition of personal services, and in most cases, if not all, it is not an item of income until such time that the benefit(s) is taken, used or paid. All benefits accrued up to December 31, 1984, shall be subject to taxation under §4.1709.1(A) of this regulation. However, if the employment is terminated on December 31, 1984, and all benefits are cashed in for monetary value, the benefits accrued do not apply, regardless of when paid but are subject to 4 CMC Chapter 2.

**Section 1203.6. Qualified Fresh Start Assets.** Qualified fresh start assets means:

(a) All real property located in the Commonwealth.

(b) All personal property, owned, directly or indirectly, immediately prior to and on January 1, 1985,

(1) by taxpayers, (other than foreign corporations) a U.S. or Commonwealth citizen, or a bona fide resident of the Commonwealth, or incorporated in or under the laws of the Commonwealth, immediately prior to and on January 1, 1985.



(2) the sale of which, by such taxpayer, on December 31, 1984, would have not been subject to 4 CMC Chapter 7 income taxation by the Commonwealth.

**Section 1203.7. Personal Property.**

(a) Personal property for purposes of qualified fresh start assets means all properties, tangible or intangible, that are not real properties or items of real property, owned by a

- (1) Commonwealth Citizen, or a resident,
- (2) United States Citizen, or a resident, or
- (3) Domestic Corporation,
- (4) Partnership, association, and all other "persons" whose partners and members are all citizens or bona fide residents of the Commonwealth, or are United States citizens or residents.

(b) Personal properties include, but are not limited to:

- (1) Installment sales contracts,
- (2) Bank loans, other loans,
- (3) Pension and annuity contracts or plans (see §4.1704.1(D)),
- (4) Interests in employees' benefits plans (see §4.1703.1(D)),
- (5) Inventory items, goods and commodities for sales,
- (6) Contracts and leases,
- (7) Stock.

**Section 1203.8. Fair Market Value (FMV).**

(a) Fair market value concept for purposes of qualified fresh start assets is extended to include:

- (1) Independent Appraisal,
  - (i) performed by a United States or CNMI licensed or registered appraiser in the Commonwealth, and who has engaged in that business for not less than 5 years, and
  - (ii) the appraisal is performed six (6) months prior to or six (6) months after January 1, 1985;

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(iii) if the appraisal is performed before and after the six (6) months period to and after January 1, 1985, the appraisal may used to find the future value (at 1/1/85) and the present value (at 1/1/85) which will be the FMV on January 1, 1985, by using the discounting method at the prevailing NMTIT \$6621 interest rate per annum on January 1, 1985. The NMTIT interest rate on January 1, 1985 is 13% per annum.

(2) Discounting the sales price back to January 1, 1985, using the prevailing NMTIT interest rate per annum, in accordance with NMTIT \$6621.

Example: Taxpayer E sold his land on June 30, 1985, for \$200,000.00, when the NMTIT interest rate is 11.25%. The fair market value, discounting the sales price back to January 1, 1985 is \$189,110.10.

(3) A pro rata allocation of the difference between the adjusted cost basis and the sales price with respect to the periods it was held, before, and after January 1, 1985.

Example. Taxpayer F sold his residential property on December 31, 1985 for \$20,000.00. F purchased his property for \$10,000.00 on January 1, 1980 and consequently made a \$5,000.00 capital improvement. The fair market value or modified adjusted cost basis on January 1, 1985 is \$19,166.64.

Cost	\$10,000.00
Add. Improvement	<u>5,000.00</u>
Adjusted Cost basis	<u>\$15,000.00</u>
Sales Price	20,000.00
Less: Adj. Cost Basis	<u>(15,000.00)</u>
Difference	5,000.00
Divided by the number of months owned	<u>72</u>
Allocable share per month	69.444
Multiply by the number of months in service prior to 1/1/85	<u>60</u>
Allocable share prior to 1/1/85	4,166.64
Add: adjusted cost basis	<u>15,000.00</u>
Fair market value or modified Adjusted Cost basis on 1/1/85	<u>\$19,166.64</u>

(4) A replacement cost may used for:

(i) Inventory items, goods and commodities for sale;

(ii) Depreciable assets including removable items of building but not structural components of the building.

(5) The book value of the asset on December 31, 1984.

(b) Assets acquired on or after January 1, 1985 shall be treated in accordance with NMTIT for whatever purpose.

**Section 1203.9 Reconstruction of Income.** When the Tax Commissioner (DOF) endeavors to reconstruct the income of a taxpayer, the Commissioner (DOF) shall establish the information such as assets acquired or expenses incurred during the taxable year in question and the initial net worth on January 1, 1985 which constitute the initial burden of the government. The taxpayer has the ultimate burden to prove otherwise, by presenting evidence of income and evidence substantiating the expense(s) which may be contrary to the Commissioner's findings.

**Section 1203.10. Deductions and Credits.**

(a) No deductions, nor credits, incurred with respect to expenditures within the Commonwealth prior to January 1, 1985, shall be allowed against income earned or accrued on or after January 1, 1985, except for:

(1) taxpayers having to continue filing and paying tax through 1985, under the repealed 4 CMC Chapter 7 on income deriving from sources without the Commonwealth,

(2) taxpayers arriving into the Commonwealth during 1985 and thereafter, from Guam and the United States,

(b) Taxpayers having deductions incurred cash or accrual, prior to January 1, 1985, not within the provisions of (A)(a) and (b) of this section shall be determined and allowed on the basis of the facts and circumstances not contrary to the provisions of 4 CMC §1704.

(c) Special Rule on Retirees. In the ordinary set up, retirees are allowed to exclude from gross income the total contribution to the retirement plan, and because of the fresh start concept retirees are allowed to exclude from gross income the total contribution made to the plan as if retirement commences on taxable year 1985.

**Section 1203.11. Change of Rates.** The effect of 4 CMC §1704(b)(2) shall not bind taxpayers who are:

(a) continuing to file and pay tax through 1985 under the repealed 4 CMC Chapter 7 on income derived from sources without the Commonwealth, or

(b) arriving into the Commonwealth during 1985 from Guam and the United States.

**Section 1203.12. Clarifying Provision.** Taxpayer whose home office, or parent company is located outside of the Commonwealth and has been reporting worldwide losses in the home office's or parent company's tax jurisdiction, United States tax jurisdiction including Guam, shall not for whatever purposes carry forward such reported losses beginning January 1, 1985. Any losses incurred in the Commonwealth prior to January 1, 1985, which have remaining losses carried forward and unreported by the home office or parent company shall not carry forward such losses against income earned or accrued on and after January 1, 1985.

**Example.** Taxpayer G is a Corporation whose home office or parent company is located in Guam. G has been in business in the Commonwealth since 1980, and since then has been reporting net operating losses in the Commonwealth, and since then has been writing off such losses in the tax jurisdiction of Guam. On December 31, 1984, G's parent company has a balance of \$100,000.00 carry forward losses for the years beginning 1985 of which \$25,000.00 is attributed to the Commonwealth net operating losses. G cannot take the \$25,000.00 net operating losses into and against income earned or accrued in the Commonwealth on or after January 1, 1985, nor any losses which have been written off in Guam.

**Section 1203.13. Accelerated Cost Recovery System (ACRS).**

(a) The ACRS is mandatory for all qualified fresh start assets whose fair market value is obtained in accordance with:

- (1) §1203.9(A)(a), Independent Appraisal;
- (2) §1203.9(A)(d), Replacement Cost.

(b) Taxpayers who elect to continue on depreciation method in use immediately prior to January 1, 1985, may do so, but subject to the fair market value of §1203.9(A)(e) book value.

(c) For purposes of determining allowances for amortization and for similar purposes, the fair market value obtained pursuant to §1203.9(A)(a) and (d), must allocate the FMV in accordance with the applicable NMTIT sections on amortization:

**Section 1203.14. NMTIT 38 Credit and NMTIT 179 Deduction.**

(a) There shall be no credit allowed under §38(b)(1) for all qualified fresh start assets, used property existing immediately prior to January 1, 1985.

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(b) There shall be no deductions allowed under NMTIT §179 (26 IRC §179) for all qualified fresh start assets, used property existing immediately prior to January 1, 1985.

**Section 1203.15. Disincentives to Off-island Investments.**

(a) Taxpayers who have investments or wish to invest in whatever business venture or undertaking outside of the Commonwealth are taxed accordingly under 4 CMC Chapter 3. The tax imposed, subject to the limitations, upon the allowable deductions on the following NMTIT sections (IRC sections):

- Facilities;
  - (1) §169, Amortization of Pollution Control
  - (2) §179, Election to Expense Depreciable;
  - (3) §181, Farmers' Fertilizer Expenditures; (Clarifying Provision. Public Law 4-24 inadvertently cites "181 Farmers' Fertilizer Expenditure". The appropriate citation deduction therefore is 180).
  - (4) §182, Farmers' Clearing Expenditures;
  - (5) §184, Amortization of Railroad Rolling Stock;
- Tunnel Bores;
  - (6) §185, Amortization of Railroad Grading and
- Construction Period Interest and Taxes;
  - (7) §188, Child Care Facilities Amortization;
  - (8) §189, Amortization of Real Property
- Handicapped and Elderly;
  - (9) §190, Expending of Removing of Barriers to
- Corporations;
  - (10) §193, Tertiary Injections;
  - (11) §194, Reforestation Expenditures;
  - (12) §195, Start-up Expenditures;
  - (13) §243, Dividends Received from Domestic
- Preferred Stock;
  - (14) §244, Dividends Received on Public Utility
  - (15) §245, Dividends from Foreign Corporations;
  - (16) §248, Organizational Expenditures;
  - (17) §263(c), Expending of Intangible Drilling Costs, to the extent in excess of Depreciation and Amortization;

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(18) §613 and 613(A), Percentage Depletion, to the extent in excess of cost depletion;

(19) §616(a), Expenses of Mining Development Costs, to the extent in excess of the amount deductible under 616(b) as deferred expense;

(20) §617, Mining Exploration Costs, to the extent in excess of the amount allowable as a deduction had the cost been capitalized and deducted ratably over 10 years; and

(21) §631, Special Rules for Timber, Coal and Iron Ore.

Taxpayers affected by this section shall add the full amount of the deductions listed above to the Quarterly Business Gross Revenue Tax Return under 4 CMC Chapter 3 and the provisions of 4 CMC §1805. The deductions are still available under the NMTIT.

(b) Taxpayers who wish to invest in whatever business venture, or undertaking, which will qualify for the following credits;

(1) §21, Household and Dependent Care;

(2) §38, Investment Tax Credit;

(3) §39, Gas and Special Fuels;

(Clarifying Provision. The 1983 IRC edition by Prentice Hall is used as the basis in all IRC citations, under PL 4-24; however, when using the 1984 IRC edition, the changes in section numbers are incorporated herein and may be cited as the current citation. This principle applies to similar changes under the NMTIT and the citation under PL 4-24).

(4) §40, Work Incentive Programs;

(5) §44C, Residential Energy Credit, but terminates on December 31, 1985;

(6) §44D, Nonconventional Source Fuel;

(7) §44E, Alcohol Used as Fuel;

(8) §44F, Increasing Research Activities;

(9) §44G, Employees Stocks Ownership Plan; and

(10) §44H, Clinical Testing, Rare Disease Drugs;

will be taxed, subject to the limitation, the full amount of the credit allowed.

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(c) Limitations. The tax on (A) and (B) on this section may be waived if the taxpayer;

(1) can prove that the off-island investment is substantially benefiting business activities, or investments, for the productions of income in the Commonwealth, or

(2) has derived no tax benefits.

**Section 1203.16. Tax Relief.**

(a) Every person subject to the NMTIT is allowed a 95% rebate with respect to taxes paid on income deriving from sources within the Commonwealth in excess of taxes imposed under 4 CMC Chapters 2 and 3, §2202(f) and Public Law 4-14 whichever is applicable. The rebate is obtained by filing a form prescribed by the Commissioner (DOF), which will be filed at the end of the taxable year. In any case, and in no circumstances whatsoever, shall the 95% rebate be advanced, or taken in advance during the taxable year, or prior to the filing of the required tax return to which the rebate relates. The rebate procedure is illustrated on 4.1709.1.(A),

(b) In the event of any shortfall of the rebate requirement, the Chief of Revenue and Taxation shall immediately report in writing the conditions of the shortfall to the Commissioner (DOF). The Commissioner (DOF) upon approval, shall cause to have the proper amount of shortfall be paid from the General Fund.

(c) In the event of any potential surplus from the special Rebate Trust Account, the Chief of Revenue and Taxation shall immediately report such surplus to the Commissioner (DOF) for disposition.

(d) The rebate, upon review and approval for payment, may be made within forty-five (45) days after the due date of the return or forty-five (45) days after a return is filed, whichever is later.

(1) Rebate request subject to audit, will not be rebated until the return is cleared from audit at such time the rebate will be processed for payment.

(2) Where the Commissioner (DOF) reasonably determines there may be fraud in a tax return filed, the Commissioner may delay payment of the rebate.

(e) The statute of limitation for a rebate is subject to the provision of 4 CMC §1809(a)(3).

**Section 1203.17. Relief from Double Taxation.**

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(a) The non-refundable credit when applicable under this section relieves the taxpayer from paying the entire amount of income tax from the same income that is taxable under other provisions of the local taxing statute. The taxpayer shall be allowed a non-refundable credit of;

(1) the sum of amounts due and payable under:

- (i) 4 CMC Chapter 2 and/or 3,
- (ii) 4 CMC §2202(f), and
- (iii) Public Law 4-14, whichever is applicable.

(2) any non-refundable credit available under paragraph (a) shall be allowed only to the extent of any tax liability imposed on Commonwealth source income under 4 CMC Chapter 7 (NMTIT). Any non-refundable credit remaining in excess of the Chapter 7 tax shall be disallowed. By allowing the taxes under paragraph (a) as a non-refundable credit, no deduction of the same taxes shall be allowed under the NMTIT.

Example 1. Taxpayer H is expected to have gross income of \$20,000.00 for taxable year 1985 with a total of 4 personal exemptions or allowances, filing a joint return and is on a biweekly payroll schedule. H will be making about \$769.23 biweekly (\$20,000.00/26 pay periods). H's comparative withholding tax is:

	CHAPTER 2 WAGES AND SALARIES	CHAPTER 7 (NMTIT)
BIWEEKLY INCOME	\$ 769.23	\$ 769.23
WITHHOLDING TAX COMPUTED	38.46	71.00
ACTUAL TAX WITHHELD	<u>38.46</u>	<u>32.54</u> (\$71.00-38.46)
TOTAL WITHHOLDING TAX PER PAY PERIOD	<u>\$71.00</u>	

The actual tax withheld under Chapter 7 of \$32.54 was the result of the Chapter 2 (Wage and Salary) tax applied as a non-refundable credit against the computed Chapter 7 tax of (\$71.00-\$38.46=\$32.54).

H's combined withholding tax on a biweekly basis is \$71.00 (\$38.46 + \$32.54), which in effect equals the greater amount of Chapters 2 or 7 (NMTIT). The employer shall deduct the \$71.00 from H's payroll check. The employer shall classify H's withholding tax for the period as follows:

	<u>PER PAY PERIOD</u>	<u>TAXABLE YEAR END</u>
CHAPTER 2 TAX	\$38.46	\$999.96
CHAPTER 7 TAX	32.54	846.04

Allowing the non-refundable credit under paragraph (a), in effect, relieves the taxpayer of any tax liability



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imposed on Commonwealth source income under 4 CMC Chapter 7 to the extent of any non-refundable credit paid or accrued under paragraph (a), which arises from the same taxable period.

At the close of the taxable year, H prepares his 1040CM and determines the following:

	<u>CHAPTER 2</u>	<u>CHAPTER 7</u>
GROSS INCOME	\$20,000.00	\$20,000.00
LESS: PERSONAL EXEMPTIONS	N/A	(4,000.00)
TAXABLE INCOME	\$20,000.00	\$16,000.00
CALCULATED TAX	1,000.00	1,746.00
LESS: NON-REFUNDABLE CREDIT	N/A	(1,000.00)
BALANCE AFTER NON-REFUNDABLE CREDIT	N/A	746.00
TAX WITHHELD (W-2CM)	1,000.00	846.00
BALANCE DUE/REFUND	-0-	(100.00)
AMOUNT SUBJECT TO REBATE (746X95%)	N/A	(708.70)
AMOUNT OF TAX DUE/REFUND/REBATE	-0-	(808.70)
NET AMOUNT OF TAX DUE(OR OVERPAYMENT)		<u>(\$808.70)</u>

Example 2. The same with Example 1 (Taxpayer J) but with a total of 14 allowances or personal exemptions.

	<u>CHAPTER 2</u>	<u>CHAPTER 7</u>
BIWEEKLY	\$769.23	\$769.23
WITHHOLDING TAX COMPUTED	38.46	11.31
ACTUAL TAX WITHHELD	<u>38.46</u>	-0- (\$11.31-\$38.46=-27.15)=0
TOTAL WITHHOLDING TAX PER PAY PERIOD		<u>\$38.46</u>

J's withholding tax on a biweekly basis is \$38.46 which is the tax under Chapter 2. The non-refundable credit (\$38.46), when applied to the Chapter 7 (NMTIT) Tax, completely provides for the required Chapter 7 tax withholding. The excessive non-refundable credit of \$27.15 is disallowed.

Year End Tax Calculations:

	<u>Chapter 2</u>	<u>Chapter 7</u>
GROSS INCOME	\$20,000.00	\$20,000.00
LESS: PERSONAL EXEMPTIONS	N/A	14,000.00
TAXABLE INCOME	\$20,000.00	6,000.00
CALCULATED TAX	1,000.00	294.00
NON-REFUNDABLE CREDIT	N/A	(1,000.00)
BALANCE AFTER NON-REFUNDABLE CREDIT	-0-	-0-
TAX WITHHELD (W-2)	1,000.00	-0-
BALANCE DUE/REFUND	-0-	-0-
AMOUNT SUBJECT TO REBATE(0X95%)	N/A	-0-
NET AMOUNT OF TAX DUE (OR OVERPAYMENT)		<u>-0-</u>

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(b) In all cases, no non-refundable credit under this section shall be allowed for taxes paid or accrued under 4 CMC Chapters 2 and 3, 4 CMC §2202(f), and Public Law 4-14, prior to January 1, 1985.

(c) For partnership and subchapter S corporations, the non-refundable credit for each partner or subchapter S shareholder shall be equal to the percentage share of the profits and losses or the capital (equity) ownership, whichever is applicable.

**Section 1203.18. Tax on Overpayments.**

(a) Except for:

- (1) withholding tax,
- (2) estimated tax, and
- (3) all other taxes at source

actually paid, for other overpayment arising from any excessive credits as a result of all available and allowable credits taken under the NMTIT (IRC), a separate, additional tax for such taxable year equal to the amount of such overpayment shall be imposed. These credits may be taken to the extent it "washes" out the tax liability. These credits include but are not limited to:

- (i) §22, Credit for the Elderly,
- (ii) §901, Foreign Tax Credit,
- (iii) §38(b)(1), Investment Credit, (§46(a)),
- (iv) §41, Partial Credit for Political Contributions,  
(\$24),
- (v) §44A, Credit for Child and Dependent Care Expenses,  
(\$21),
- (vi) §38(b)(2), Jobs, Credit, (§51(a)),
- (vii) §44C, Residential Energy Credit, (§23),
- (viii) §43, Earned Income Credit, (§32),
- (ix) §40, Credit for Federal Tax on Special Fuels and  
Oils,
- (x) §852(b)(B)(4), Regulated Investment Company Credit,  
and
- (xi) all other credits which reduce tax liabilities dollar for dollar, except for §(A)(i), (ii), and (iii) of this section.

**Section 1203.19. Foreign Sales Corporation.** Pursuant to 4 CMC §1711 and §1902(b)(3), foreign sales corporations are exempt

from taxation on exempt and nonexempt foreign trade income, investment income, and carrying charges. The NMTIT and P.L. 4-15 will control on the taxability of the income of foreign sales corporations.

**Section 1203.20. Estimated Tax**

(a) Notwithstanding the provisions of NMTIT 6154 and 6153, the following is a change of due dates for payments of estimated tax:

	<u>Individuals</u>	<u>Other Than Individuals</u>
First Quarter	April 30	April 30
Second Quarter	July 31	July 31
Third Quarter	October 31	October 31
Fourth Quarter	January 31	January 31

(b) Where to File Your Declaration - You should file your Declaration of Estimated Tax with the jurisdiction (United States or the Northern Mariana Islands) with which you would file your income tax return if your tax year were to end on the date your estimated tax return is first due. All subsequent payments should be filed where your original estimated tax return was filed.

**Section 1203.21. Citizens, Residents, and Nonresidents of the Northern Mariana Islands.**

(a) Any person, citizen or resident of the Northern Mariana Islands, having gross income from any source, is subject to the Territorial Income Tax.

(b) Any person, citizen or resident of the Northern Mariana Islands having gross income from both within and without the Northern Mariana Islands, who is a resident of the Northern Mariana Islands on the last day of the taxable year, is subject to Territorial Income Tax on his gross income from both within and without the Northern Mariana Islands. Such person shall file a Territorial Individual Tax Return on Form 1040A-CM or 1040CM on or before April 15, following the close of the taxable year setting forth the source of his income.

(c) Nonresident Aliens.

(1) A nonresident alien of the Northern Mariana Islands is subject to territorial income tax in the same manner as a nonresident alien of the United States and is subject to Territorial Withholding Tax and required to file an income tax return.

(2) The determination on the residency status of an alien individual shall be in accordance to the provisions of the NMTIT as mirrored in the U.S. Internal Revenue Code.

PART V - SECTION 1204, ADMINISTRATIVE PROVISIONS

Section 1204.1. Wage and Salary Tax Withholding.

(a) Employers in the Northern Mariana Islands are required to withhold the wage and salary tax from their employees' wages and salary based on the following withholding tables:

AMOUNT EARNED - WEEKLY

FROM	TO	RATE
-0-	19.24	-0-
19.25	96.17	2.0%
96.18	134.63	3.0%
134.64	288.48	4.0%
288.49	423.09	5.0%
423.10	576.94	6.0%
576.95	769.24	7.0%
769.25	961.55	8.0%
961.56	AND OVER	9.0%

AMOUNT EARNED - BI-WEEKLY

FROM	TO	RATE
-0-	38.49	-0-
38.50	192.34	2.0%
192.35	269.26	3.0%
269.27	576.96	4.0%
576.97	846.19	5.0%
846.20	1,153.88	6.0%
1,153.89	1,538.49	7.0%
1,538.49	1,923.11	8.0%
1,923.12	AND OVER	9.0%

AMOUNT EARNED - SEMI-MONTHLY

FROM	TO	RATE
-0-	41.70	-0-
41.71	208.37	2.0%
208.38	291.70	3.0%
291.71	625.04	4.0%
625.05	916.70	5.0%
916.71	1,250.04	6.0%
1,250.05	1,666.70	7.0%
1,666.71	2,083.37	8.0%
2,083.38	AND OVER	9.0%

AMOUNT EARNED - MONTHLY

FROM	TO	RATE
-0-	83.41	-0-
83.42	416.74	2.0%
416.75	583.41	3.0%
583.42	1,250.08	4.0%
1,250.09	1,833.41	5.0%
1,833.42	2,500.08	6.0%
2,500.09	3,333.41	7.0%
3,333.42	4,166.74	8.0%
4,166.75	AND OVER	9.0%

(b) The combined total of withholding tax made in (a) above must be remitted to the Commonwealth Government in accordance to Section 4.1818.1 of these Regulations.

**Section 1204.2. The Employer's Income Tax Quarterly Withholding Return, Form OS-3705.** This is a return used to report the employee's earnings by the employer. It requires the employee's U.S. Social Security number, employee's name, taxable wages, and tax withheld for each employee. Form OS-3705A is the continuation sheet for Form OS-3705. For proper withholding of wage and salary tax, see §4.1804.1 of these regulations.

**Section 1204.3. Annual Reconciliation of Employer's Income Tax Quarterly Withholding.** Employers are required to file the original copy of Form OS-3710 "Annual Reconciliation of Employers Income Tax Quarterly Withholding" on or before January 31 after the close of the taxable year with the Division of Revenue and Taxation. Copy A of Form W-2CM, Wage and Tax Statement, is required to be attached to the reconciliation form.

**Section 1204.4. Effective Date.** Wages and salaries paid, and withholding tax deducted by the employer pursuant to 4 CMC §1804 covering a particular tax year, shall commence on the first day of each employer's first payroll period paid beginning after December 31 to the last day of the taxable year. Employers shall not change their customary payroll periods if such change would result in the postponement of the effective date on which to commence withholding the tax on wages and salaries.

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Section 1204.5. Employee's Quarterly Wage and Salary Tax Return.

INCOME LEVEL - FIRST QUARTER

FROM	TO	RATE
-0-	250.00	-0-
250.01	1,250.00	2.0%
1,250.01	1,750.00	3.0%
1,750.01	3,750.00	4.0%
3,750.01	5,500.00	5.0%
5,500.01	7,500.00	6.0%
7,500.01	10,000.00	7.0%
10,000.01	12,500.00	8.0%
12,500.01	AND OVER	9.0%

INCOME LEVEL - SECOND QUARTER

FROM	TO	RATE
-0-	500.00	-0-
500.01	2,500.00	2.0%
2,500.01	3,500.00	3.0%
3,500.01	7,500.00	4.0%
7,500.01	11,000.00	5.0%
11,000.01	15,000.00	6.0%
15,000.01	20,000.00	7.0%
20,000.01	25,500.00	8.0%
25,500.01	AND OVER	9.0%

INCOME LEVEL - THIRD QUARTER

FROM	TO	RATE
-0-	750.00	-0-
750.01	3,750.00	2.0%
3,750.01	5,250.00	3.0%
5,250.01	11,250.00	4.0%
11,250.01	16,500.00	5.0%
16,500.01	22,500.00	6.0%
22,500.01	30,000.00	7.0%
30,000.01	37,500.00	8.0%
37,500.01	AND OVER	9.0%

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INCOME LEVEL - FOURTH QUARTER

FROM	TO	RATE
-0-	1,000.00	-0-
1,000.01	5,000.00	2.0%
5,000.01	7,000.00	3.0%
7,000.01	15,000.00	4.0%
15,000.01	22,000.00	5.0%
22,000.01	30,000.00	6.0%
30,000.01	40,000.00	7.0%
40,000.01	50,000.00	8.0%
50,000.01	AND OVER	9.0%

**Section 1204.6. Employee's Annual Wage and Salary Tax Return.**

(a) Unless otherwise provided, every employee subject to tax under 4 CMC §1201 is required to file an "Employee's Annual Wage and Salary Tax Return," Form 1040NMI, on or before April 15, after the end of the taxable year. Any additional tax due is payable upon the filing of this return. Any tax determined to be overwithheld or overpaid will be refunded without the necessity of filing an application for refund. Copy 2 of Form W-2CM must be attached to Form 1040NMI. No refund will be made without the Wage and Tax Statement attached.

(1) Exception. Any employee required to file an income tax return, Form 1040A-CM or Form 1040CM, for the taxable year need not file a 1040NMI return. Such 1040NMI return is satisfied by filing with the CNMI Government, an income tax return covering the same taxable year.

(b) Employees who perform services during the taxable year, both as an employee receiving salary and wages subject to withholding pursuant to 4 CMC §1201 and as an individual not subject to withholding tax pursuant to 4 CMC §1804(e), are required to file the Employee's Annual Wage and Salary Tax Return, Form 1040NMI. An individual subject to tax under 4 CMC §1804(e) must file quarterly returns during the period his/her wages are not subject to withholding taxes. When employment is terminated, a final quarterly return must be filed, reporting wages paid to the date employment is terminated. The combined salary and wages earned both as an employee subject to withholding tax and as an individual not subject to withholding tax must be reported on the Employee's Annual Wage and Salary Tax Return. Form W-2 must be attached to the tax return. Credit will be given for taxes paid on the Employee's Quarterly Wage and Salary Tax Return.

(c) Beginning with taxable period after December 31, 1984, paragraph b shall not apply to persons paying estimated tax on income not subject to withholding, provided that the tax required under 4 CMC §1804(e) is included in such estimated tax payment.

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**Section 1204.7. Business Gross Revenue Tax Quarterly Reporting.**

(a) Every business subject to tax under Section 1202.1 of these regulations shall report all such gross revenue received during each quarter and shall pay the tax thereon no later than the last day of the month following the close of the quarter. Form OS-3105 must be used in order to report and pay the business gross revenue tax each quarter. The following tax tables shall be used for each quarterly reporting:

**FIRST QUARTER**

**TABLE I (JAN. 1 - MAR. 31)**  
Gross revenue from January 1 to March 31.

FROM	TO	RATE
-0-	1,250.00	-0-
1,250.01	12,500.00	1.5%
12,500.01	25,000.00	2.0%
25,000.01	62,500.00	2.5%
62,500.01	125,000.00	3.0%
125,000.01	187,500.00	3.5%
187,500.01	AND OVER	5.0%

**SECOND QUARTER**

**TABLE II (JAN. 1 - JUNE 30)**  
Cumulative gross revenue from January 1 to June 30.

FROM	TO	RATE
-0-	2,500.00	-0-
2,500.01	25,000.00	1.5%
25,000.01	50,000.00	2.0%
50,000.01	125,000.00	2.5%
125,000.01	250,000.00	3.0%
250,000.01	375,000.00	3.5%
375,000.01	AND OVER	5.0%



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THIRD QUARTER

TABLE III (JAN. 1 - SEPT. 30)

Cumulative gross revenue from January 1 to September 30.

FROM	TO	RATE
-0-	3,750.00	-0-
3,750.01	37,500.00	1.5%
37,500.01	75,000.00	2.0%
75,000.01	187,500.00	2.5%
187,500.01	375,000.00	3.0%
375,000.01	562,500.00	3.5%
562,500.01	AND OVER	5.0%

FOURTH QUARTER

TABLE IV (JAN. 1 - DEC 31)

Cumulative gross revenue from January 1 to December 31.

FROM	TO	RATE
-0-	5,000.00	-0-
5,000.01	50,000.00	1.5%
50,000.01	100,000.00	2.0%
100,000.01	250,000.00	2.5%
250,000.01	500,000.00	3.0%
500,000.01	750,000.00	3.5%
750,000.01	AND OVER	5.0%

**Section 1204.8. Manufacturing, Wholesaling, and Oceanshipping.** For business gross revenue solely from manufacturing, wholesaling, and oceanshipping activities the following rates shall apply:

<p>If the annual gross revenue earned from all activities is:</p> <p>(i) \$0 to 5,000</p> <p>(ii) 5,001 to 50,000</p> <p>(iii) 50,001 and over</p>	<p>The tax on gross revenue earned solely from manufacturing, wholesaling, and oceanshipping is:</p> <p>no tax</p> <p>1.5% of total gross revenue from wholesaling, manufacturing, and oceanshipping over \$0</p> <p>2% of total gross revenue from wholesaling, manufacturing, and oceanshipping over \$0</p>
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**Section 1204.9. Businesses Dissolving During a Taxable Year.** Any person who dissolves a business during a taxable year is required to make a final return fifteen no later than (15) days

following the dissolution of the business. A penalty of ten percent (10%) of the tax due shall be added for each thirty (30) days or fraction thereof elapsing between the due date on the return and the date of which it is actually filed; PROVIDED, however, that the minimum penalty shall be twenty-five dollars (\$25.00). Interest of fifteen percent (15%) per annum shall also be imposed on the total amount paid after the deadline prescribed in this section.

**Section 1204.10. Application for Apportionment.**

Application for apportionment of business gross revenue taxes paid for any quarter during the calendar year must be filed within one year after the end of the calendar year in which the amount to be refunded was withheld or paid pursuant to Section 805(d), Public Law 3-11. This portion of revenue earned outside the Commonwealth of the Northern Mariana Islands shall be reported pursuant to the Territorial Income Tax Law.

**Section 1204.11. Refund of Overpayment of Business Gross Revenue Tax.** A refund of an overpayment of business gross revenue tax will be made after the fourth quarterly return has been filed and reviewed and a claim for refund made in accordance to Section 4.1809.1 of these regulations.

**Section 1204.12. Sale or Transfer of Business.** If a business is sold or transferred by one employer to another, each must file a separate return. But neither should report wages paid by the other. Such a transfer occurs, for example, if a sole proprietor forms a partnership or a corporation.

(a) If there has been a change of ownership or other transfer or the business during the quarter, attach a statement showing the name of the present owner; whether the present owner is an individual, a partnership, or a corporation; the nature of the change or transfer; and the date of such change or transfer.

(b) When a statutory merger or consolidation occurs, the obligation of the continuing corporation to file a Form OS-3705 and report wages and salaries is the same as if the continuing and dissolved corporations constituted one person.

(c) Since business licenses are nontransferable, upon any transfer or sale of business, the new business must obtain an appropriate business license.

**Section 1204.13. Quarterly Tax Return, Businesses.** Business taxpayers in every category are required to file quarterly tax returns, reporting their gross revenue, even though no tax liability is due. Books and records must be maintained on the business premises in the Commonwealth where the business operations are conducted.

**Section 1204.14. Production of Records of Taxpayers Pursuant to CNMI Tax Laws.** For the purposes of ascertaining the correctness of any return, making a return where none has been made,

determining the liability of any person in respect of any tax, or collection of any such tax liability, the Director or his delegate is authorized to:

(a) Examine or request any books, papers, records, or other data with or without the taxpayer's consent from any person which may be relevant or material to such inquiry. The required records shall be made available not later than ten (10) days beginning with the date when the request is received;

(b) Summon the person liable for tax or required to perform the act, or any officer or employee of such person or any person having possession, custody, or care of books of account containing entries relating to the business of the person liable for tax or required to perform the act, or any other person the Director or his designee may deem proper to appear before the Director or his delegate at the time and place named in the summons and to produce such books, papers, records, or other data, and to give such testimony, under oath, as may be relevant or material to such inquiry; and

(c) Take such testimony of the person concerned under oath, as may be relevant or material to such inquiry.

**Section 1204.15. Record Maintenance.**

(a) All books and records of all business transactions necessary to determine the gross revenue tax and other taxes imposed by the Commonwealth Government are to be maintained within the Commonwealth at the central office of the business operation and shall be made available for examination not later than ten (10) days beginning with the date when the request is received. A full and accurate record of all business transactions necessary to determine the annual business gross revenue tax and other taxes must be maintained for a minimum of three (3) years after the date of such transaction.

(b) Every establishment licensed to serve alcoholic beverages and subject to the tax imposed under 4CMC § 1501 must record separately the sales of all beverages.

(c) Every person subject to tax under 4CMC §1502 must record separately all revenues earned from transient occupants of hotels, lodging and other facilities.

**Section 1204.16. Withholding Record.** All books and payroll records necessary to determine an employee's wages and salaries and respective withholding taxes imposed by the Commonwealth Government are to be maintained in the Senatorial District within the Commonwealth where the business operation is conducted and shall be made available for examination not later than ten (10) days beginning with the date when the request is received.

**Section 1204.17. Assessments.**

(a) In General. The Director of Finance or his delegate (the Chief of Revenue and Taxation or subdelegates thereof) is authorized to make the inquiries, determinations and assessments of all taxes (including interest, additional amounts, additions to tax and penalties) imposed by 4 CMC, Division I (excluding 4 CMC §1503). The Director shall assess all taxes determined by the taxpayer or by the Director as to which returns, schedules or lists are required to be made. Assessments shall be made by recording the liability of the taxpayer in the office of the Director. The Director may, at any time within such periods as may be prescribed for assessments, make such supplemental or additional assessments whenever it is ascertained that any assessment is imperfect or incomplete. For purposes of the Northern Marianas Territorial Income Tax ("NMTIT"), 4 CMC, Division I, Chapter 7, assessments of the NMTIT shall be made in accordance with applicable provisions of the Internal Revenue Code of 1986 as amended and the Regulations promulgated thereunder. Assessments of all other taxes imposed by 4 CMC, Division I (excluding Chapters 4 and 6 thereof) shall be made in accordance Chapter 8, Division I of 4 CMC and in accordance with this Section 1204.17, provided, however, that assessment and collection of the CNMI excise tax, 4 CMC, Division I, Chapter 4, shall follow the excise and customs procedures set forth in the CNMI Revenue and Taxation Regulations unless the Director, or his delegate, the Chief of Customs, elects to apply this Section 1204.17. to the Revenue and Taxation Regulations.

(b) Director's Assessment: No Return Filed. Upon the failure of any person, business or employer, hereinafter referred to as the taxpayer, to make and file a return, schedule or list required under 4 CMC, Division I, excluding Chapters 4 & 7 thereof, within the time and in the manner and form prescribed, or upon failure to pay any amount due, the Director may notify the taxpayer of such failure and demand that a return be made and filed and that the tax and any penalties and interest due be paid. If such taxpayer, upon notice and demand by the Director, fails or refuses within 30 days after receipt of the notice and demand to make and file a return in the manner requested by the Director and to pay the tax and any penalties and interest that may be due, the Director may make a return for such person, business or employer from any information and records obtainable, and may assess the appropriate amount of tax, interest and penalties. Such assessment shall be presumed to be correct unless and until it is proved incorrect by the taxpayer disputing the assessment.

(c) Director's Assessment: Erroneous Return Filed. In the event any person, business or employer, hereinafter referred to as the taxpayer, makes and files a return, schedule or list required under 4 CMC, Division I, and the Director determines that said return, schedule, or list is untrue, erroneous, incomplete or incorrect in any respect, or does not otherwise conform to law, the Director may notify the taxpayer and demand that an amended return be made and filed in the manner requested by the Director, and that any tax, interest and penalties that may be due be paid. If the taxpayer, upon notice and demand made by the Director, fails or

refuses to make and file an amended return as requested by the Director within 30 days after said notice and demand has been mailed to the taxpayer at the taxpayer's last known address, or within 30 days after said notice has been otherwise caused to be delivered to the taxpayer, the Director may amend the return of the taxpayer based on any information and records available to the Director, and the Director may assess the appropriate amount of tax, interest and penalties due. Such assessment shall be presumed to be correct unless and until it is proved incorrect by the taxpayer disputing the assessment.

(d) Emergency Assessments.

(1) In the event the Director believes that the assessment and collection of the taxes subject to subsections (b) and (c) hereof will be jeopardized by delay, or will be wholly or partially ineffectual unless done without delay, because the taxpayer is or appears to be designing quickly to depart from the CNMI or to conceal himself therein, or the taxpayer is or appears to be designing to quickly place his property beyond the reach of the CNMI Government either by removing it from the CNMI, by concealing it, by dissipating it, or by transferring it to other persons (including in the case of a corporation distributing all or part of its assets in liquidation or otherwise), or the taxpayer's financial solvency is or appears to be imperiled, or the taxpayer designs to do any other act which would tend to prejudice the assessment and collection of the tax subject to this section, or because an applicable statute of limitations is about to expire, the Director shall immediately make a determination of the tax due for the taxable periods in question, even if the time for filing a return, schedule or list for the said taxable periods has not yet come due, and notwithstanding subsections (b) or (c), such amounts shall become immediately due and owing. The Director shall immediately assess the amounts of the tax so determined (together with interest, additional amounts, additions to tax and penalties) and shall immediately cause notice of such determination and assessment to be mailed to the taxpayer at the taxpayer's last known address, or shall otherwise cause the notice to be delivered to the taxpayer, together with demand for immediate payment thereof.

(2) Any assessments made under this subsection shall be presumed to be correct unless and until they are proved incorrect by the person disputing the assessment.

(e) Mathematical or Clerical Error. If a taxpayer is notified that, on account of a mathematical or clerical error appearing on the taxpayer's return, an amount of tax in excess of that shown on the return is due, and that an assessment of the tax has been or will be made on the basis of what would have been the correct amount of tax but for the mathematical or clerical error, such notice shall not in the first instance be subject to subsections (b) or (c). Each notice to a taxpayer under this subsection shall set forth the error alleged and an explanation thereof. If within 30 days after notice is given the taxpayer

files with the Director a request for abatement of the assessment specified in the notice, the Director shall abate such assessment upon receipt of the request. Any reassessment of the tax with respect to which the abatement was made shall thereafter be subject to subsection (b), (c) or (d).

(f) Administrative Review: If within the 30 day period referred to in subsection (b) and (c), and subject to the power of the Director to make emergency assessments under subsection (d), a taxpayer notifies the Director in writing of the taxpayer's desire to have a conference to review the proposed assessment, the taxpayer shall be afforded a conference with the Director or his delegate. The conference shall be held without unreasonable delay on a date set by the Director or his delegate and no further action shall be taken by the Director or his delegate under subsections (b) or (c) until said conference has been concluded and the Director or his delegate has rendered his/her decision in writing.

(g) Court Review: A taxpayer desiring to appeal an assessment made under subsections (b), (c) or (d) shall have a period of one year from the date of the assessment to file an appropriate proceeding in the Commonwealth Superior Court under 4 CMC §1810.

(h) Stay of Collection: A taxpayer may stay collection of an assessment made under subsections (b), (c), or (d) during the pendency of a court proceeding brought under subsection (g) by posting with the Director and continuously maintaining in effect during the pendency of the court proceeding a surety bond, property or cash satisfactory to the Director upon the terms and conditions as may be satisfactory to him, in an amount or having a value of 100% of the amount of the assessment, plus additional amounts as in the judgment of the Director are reasonably necessary to cover penalties, interest and other charges that may accrue during the pendency of the court proceeding. Said bond, property or cash shall serve as collateral to secure payment of such amounts as may be determined in the court proceeding to be due the CNMI Government.

(i) Other Remedies: Nothing in this section shall prevent the Director from bringing an action under 4 CMC §1813 to enforce and collect taxes by a civil suit.

(j) Commencement of Proceedings: The Director or his delegate shall have the right to commence proceedings under subsections (b), (c), (d) or (i) at any time within applicable statute of limitations. It shall not be defense to the commencement of such proceedings that the taxpayer has not received any administrative conferences or hearings from the Director or his delegate before the commencement of such proceedings, or that an administrative conference or hearing was on-going or pending at the time such proceedings were commenced.

(k) Delegation of Authority: Any of the responsibilities, tasks or duties conferred upon the Director

herein are also delegated to the Chief of Revenue and Taxation, and may be delegated by the Chief to his subdelegates.

**Section 1204.18. Lien and Levy Procedure.** The Director has authority under 4 CMC §1811 and §1818 to issue regulations concerning the enforcement and collection of taxes through the use of tax liens and levies upon property and income belonging to taxpayers.

For purposes of the Northern Marianas Territorial Income Tax ("NMTIT"), 4 CMC, Division I, Chapter 7, tax liens and levies of the CNMI Government shall be governed, to the extent applicable, by the rules and procedures set forth in the U.S. Internal Revenue Code ("IRC") of 1986 as amended and the Regulations promulgated thereunder.

For purposes of Business Gross Revenue Tax ("BGRT"), 4 CMC, Division I, Chapter 3, and the Wage and Salary Tax ("WST"), 4 CMC, Division I, Chapter 2, the CNMI Government shall automatically have a tax lien in a taxpayer's property and income under 4 CMC §1811 when a taxpayer's liability for the tax and any penalties and interest (together with any costs that may accrue in addition thereto) is assessed, demand for payment is made, and the tax, penalties and interest, or any part thereof, are unpaid. The tax lien shall remain in effect until the assessment is paid, the assessment expires under applicable CNMI law or the lien is discharged by the Division of Revenue and Taxation.

The validity and priority of a tax lien of the CNMI Government in the property and income of a taxpayer for unpaid BGRT or WST, penalties and interest (and any costs that may accrue in addition thereto) shall, as against anyone else claiming an interest in the same property or income of the taxpayer, be determined in accordance with applicable CNMI law (including 1 CMC §3711 and 2 CMC §4520). No tax lien of the CNMI Government in a taxpayer's property and income for unpaid BGRT or WST, interest and penalties (and other costs that may accrue in addition thereto), shall have priority over a bona fide purchaser or lessee of a taxpayer for valuable consideration, a bona fide holder of a security interest for value, a bona fide judgment lien creditor or holder of another bona fide interest or encumbrance for value, unless the CNMI Government's tax lien has been recorded previously, or the party claiming the competing interest in the property or income of the taxpayer has actual notice of the tax lien; Provided, that no interest claimed by a competing party in property or income of a taxpayer shall prevail over a tax lien of the CNMI Government unless the party claiming such competing interest has taken all steps under applicable law to properly create and perfect the interest claimed in the taxpayer's property or income, and said interest is not otherwise contrary to or in violation of CNMI law.

For purposes of the BGRT, the WST and the NMTIT, notices of tax lien shall be recorded with the Commonwealth Recorder's Office. A notice of tax lien so recorded shall be perfected as to all of a taxpayer's real property located within the CNMI, to all tangible

and intangible personal property and income of a taxpayer residing within the CNMI, and to all tangible and intangible personal property and income located in the CNMI of a taxpayer residing without the CNMI.

In addition to any other levy, collection and foreclosure procedures, powers and remedies allowed by CNMI law (including 2 CMC §4520, 4 CMC §1813, 4 CMC §4201 through §4210, 7 CMC §4102 through 4104), the CNMI Government is granted and shall have the right, for purposes of BGRT and WST, to use the levy, collection and foreclosure procedure, powers and remedies set forth in IRC §6331 through §6331(d)(4) and (g), and IRC §6335(f) and (g), and the reference to IRC §6334 contained in IRC §6331 shall not apply.

**Section 1204.19. Returns and Return Information Exchange Agreement.**

(a) For purposes of requesting and obtaining from the Territory of Guam returns and return information necessary for the proper enforcement of 4 CMC Div. 1 and 26 USC §6103(d), the Director has authorized the development of an agreement for the exchange of returns and return information by and between the Department of Finance of the Commonwealth of the Northern Mariana Islands hereinafter called "Commonwealth," and the Department of Revenue and Taxation of the Government of Guam hereinafter called "Guam."

(b) Definitions. For purposes of this section -

(1) **Return.** The term "return" means any tax or information return, declaration of estimated tax, or claim for refund required by, or provided for or permitted under, the provisions of 4 CMC Div. 1 and/or 26 USC which is filed with the Director by, on behalf of, or with respect to any person, and any amendment or supplement thereto, including supporting schedules, attachments, or lists which are supplemental to, or part of, the return so filed.

(2) **Return Information.** The term "return information" means a taxpayer's identity, the nature, source, or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, over assessments or tax payments, whether the taxpayer's return was, is being, or will be examined or subject to other investigation or processing, or any other data, received by, recorded by, prepared by, furnished to, or collected by the Director with respect to a return or with respect to the determination of the existence, or possible existence, of liability (or the amount thereof) of any person under 4 CMC Div. 1 and/or 26 USC for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense.

(3) **Taxpayer Return Information.** The term "taxpayer return information" means return information as defined in paragraph (2) which is filed with, or furnished to, the Director



by or on behalf of the taxpayer to whom such return information relates.

(c) Agreement. The agreement executed pursuant to subsection (a) of this section shall --

(1) give both the Commonwealth and Guam the legal rights to exchange and disclose returns and return information as provided for in 4 CMC §1812 and 26 USC §6103(a),

(2) include guidelines and detailed procedures, and

(3) be confidential and strictly for the taxing authorities of both jurisdictions.

(d) Guidelines. For purposes of determining --

(1) where a tax return under the local Territorial Income Tax law is to be filed, the provisions of IRC §935 shall control,

(2) the source of income, 4 CMC §1103(u) shall control.

(e) Procedure. All requests for returns and return information shall --

(1) be made on a form approved by both directors;

(2) be from the Director of the Department of Revenue and Taxation, Guam or his designee to the Director of Finance, Commonwealth and vice versa, and

(3) bear the name of the employee(s) and rank(s) to receive the returns and/or return information if such returns and return information are to be received by an individual other than the department directors;

(4) be obtained by and from either taxing jurisdiction and be disclosed to designated individual(s) based on a procedure agreed by both Guam and the Commonwealth.

**Section 1204.20. Withholding Tax Payment Deposit (Form 500).**

(a) Every employer required to withhold tax on compensation under the provisions of Treas. Regs. §31.3402 and Section 2.804(a) of these Regulations, must make a deposit of the taxes withheld as provided for under (a), (b) and (c) below. These deposits shall be made to the Division of Revenue and Taxation or its satellite office located at Civic Center in Susupe, or the Tinian and Rota District Offices. Payment Deposit Form 500 shall be used when paying taxes for both 4 CMC Chapter 2 (wages and salaries tax), and 4 CMC Chapter 7 (NMTIT).

(1) If the cumulative amount of withholding tax equals or exceeds \$3,000.00, the withholding tax shall be deposited

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within 3 working days after the accumulated amount reaches \$3,000.00 or more. However, if the \$3,000.00 in cumulative withholding taxes were met as a result of overlapping into the first month of the succeeding quarter, a separate deposit Form 500 must be made which segregates taxes withheld up to the end of the last month of the quarter. The balance of the withheld taxes must be deposited at the same time, and shall be credited to the succeeding quarter's return.

Example 1: Taxpayer R has 150 employees, each of whom has \$20.00 in withholding taxes on a biweekly payroll period.

First payroll in a month - 150 employees X \$20.00, withholding tax = \$3,000.00

Second payroll in a month - 150 employees X \$20.00, withholding tax = \$3,000.00

Total withholding tax for the first calendar month in a quarter = \$6,000.00

Third payroll in a month - 150 employees X \$20.00, withholding tax = \$3,000.00

Fourth payroll in a month - 150 employees X \$20.00, withholding tax = \$3,000.00

Total withholding tax for the second calendar month in a quarter = \$6,000.00

Fifth payroll in a month - 150 employees X \$20.00, withholding tax = \$3,000.00

Sixth payroll in a month - 150 employees X \$20.00, withholding tax = \$3,000.00

Total withholding tax for the third calendar month in a quarter = \$6,000.00

Since the withholding tax in the first payroll period equals \$3,000.00, Taxpayer R must make a deposit within 3 working days after the first payday and 3 working days after each payday for all subsequent paydays.

(2) If the cumulative withholding taxes are less than \$3,000.00, but at least \$500.00 at the end of any given month, the taxes must be deposited within fifteen days after the end of the month in which the taxes were withheld. The deposits for the first and second months of the quarter shall be made on or before the fifteenth day, after the end of the month in which the taxes were withheld. The deposit for the third month may be paid with Form OS-3705, Employers Quarterly Tax Return, and the payment shall be made on or before the last day of the date specified below:

FIRST QUARTER	APRIL 30
SECOND QUARTER	JULY 31
THIRD QUARTER	OCTOBER 31
FOURTH QUARTER	JANUARY 31

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Example 2: Taxpayer P has 10 employees, each of whom has \$50.00 in withholding taxes for each month of the first quarter.

First calendar month - January - 10 employees X \$50.00,  
withholding = \$500.00.  
Second calendar month - February - 10 employees X \$50.00,  
withholding = \$500.00.  
Third calendar month - March - 10 employees X \$50.00,  
withholding = \$500.00.  
Total withholding for the quarter = \$1,500.00

Since the monthly withholding equals \$500.00, Taxpayer P must make a monthly deposit. The deposit for the first calendar month, January, must be made in the amount of \$500.00 on or before February 15. The deposit for the second calendar month, February, must be made in the amount of \$500.00 on or before March 15. The deposit for the third calendar month, March, may be paid with Form OS-3705 on or before April 30.

Example 3: Taxpayer Q has 5 employees, each of whom has \$20.00 in withholding taxes in the first calendar month of the quarter. In the second month of the quarter Taxpayer Q hires 20 additional employees, each of whom has \$20.00 in withholding taxes.

First calendar month - 5 employees X \$20.00, withholding  
=\$100.00.  
Second calendar month - 25 employees X \$20.00, withholding  
=\$500.00.  
Third calendar month - 25 employees X \$20.00, withholding =  
\$500.00.  
Total withholding tax for the quarter = \$1,100.00.

Taxpayer Q does not have to make a deposit on the first calendar month, since the withholding tax is less than \$500.00, but for the second month Taxpayer Q must make a deposit of a total of \$600.00, covering withholding for the first and second months. Taxpayer Q may pay the \$500.00 withholding tax for the third month on Form OS-3705, Employers Quarterly Tax Return and the return is due on the quarterly deadline.

(3) If the cumulative amount of withholding taxes are less than \$500.00 at the end of any calendar month, the employer is not required to make a monthly deposit. The employer may pay the taxes with Form OS-3705, Employers Quarterly Tax Return. The payment shall be made on or before the date specified below:

FIRST QUARTER	APRIL 30
SECOND QUARTER	JULY 31
THIRD QUARTER	OCTOBER 31
FOURTH QUARTER	JANUARY 31

Example 4: Taxpayer L has 15 employees, each of whom has \$10.00 in withholding taxes.

First calendar month - 15 employees X \$10.00, withholding  
=\$150.00.

Second calendar month - 15 employees X \$10.00, withholding  
=\$150.00.

Third calendar month - 15 employees X \$10.00, withholding  
=\$150.00.

Taxpayer L does not have to make monthly deposits since the  
monthly withholding is less than \$500.00. Taxpayer L may pay  
the taxes withheld on Form OS-3705 on the quarterly deadline.

(b) Individuals whose employers are located outside of  
the Commonwealth, or are required to file and pay estimated tax,  
may make monthly deposits on Form 500 as provided under Section  
4.1709.1(C) of this regulation.

**Section 1204.21. Timely Mailing Treated As Timely Filing and Paying.** The provision of Section 7502 of the Territorial Income Tax Law (IRC) shall be made applicable to all tax returns, requests, applications, deposits, and payments under Public Law No. 3-11 and these regulations. However, returns, requests, and applications shall not be treated as timely paid if no payment is made with the returns, requests, or applications; or, if a check is returned by the bank due to insufficient funds. Withholding returns filed without payment shall not be considered timely filed even though it is sent in the mail 4 CMC §1804(b)(1).

**Section 1204.22. Time for Performance of Acts Where Last Day Falls on Saturday, Sunday, or Legal Holiday.** When the last day prescribed under authority of Public Law No. 3-11, as amended, for performing any act falls on Saturday, Sunday, a legal holiday, or days authorized by the Governor for government offices to be closed, the performance of such act shall be considered timely if it is performed on the next succeeding day which is not a Saturday, Sunday, a legal holiday, or a day authorized by the Governor for government offices to be closed. For purposes of this section, the last day for the authorized extension of time. The term "legal holiday" means a legal holiday in the Commonwealth of the Northern Mariana Islands.

**Section 1204.23. Application of Penalty and Interest.** For purposes of the penalty and interest charges for late filing and/or payment of taxes imposed under Treas. Regs. §31.3402 (Chapter 7) and Section 2.804(a) (Chapter 2) of these Regulations, the penalty for Chapters 7 and/or 2 shall each be governed by their respective penalty and interest provisions.

**Section 1204.24. Forms and Returns.** The Commissioner (DOF) shall prescribe all necessary forms and returns for the implementation of the NMTIT. The forms and returns prepared by the Internal Revenue Service may be adopted and modified to suit the application thereof.

**Section 1204.25. United States Agencies and Commonwealth Agencies.**

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(a) Wherever the NMTIT mentions an agency or administration of the United States for whatever purpose, it shall be construed to be applicable in the Commonwealth equal to its comparable agency or administration in the Commonwealth such as;

(1) United States Social Security Administration is the Northern Mariana Islands Social Security System.

(2) United States Office of Personnel Management Retirement System is the Northern Mariana Island Retirement Fund, or any government retirement program, and

(3) other identical agencies or administrations, and the payments or benefits deriving therefrom shall be treated accordingly such as (i) social security benefits, and (ii) retirement benefits.

**Section 1204.26. Trust Territory or Northern Mariana Islands Government Employment.** Where an individual's employment with either government is terminated for any reason and the employee intends to permanently depart the Commonwealth of the Northern Mariana Islands, a tax clearance must be secured from the Division of Revenue and Taxation. A tax clearance requirement shall be made a part of the government's clearance procedure before an employee is officially cleared and terminated from the government position.

**Section 1204.27. Common-law Relationship.** For purposes of the NMTIT, a common-law relationship is not recognized.

**Section 1204.28. Resident Defined.**

(a) NMTIT §7701(b) define and govern residency. Additional provisions are found in NMTIT 935.

(b) For purposes of filing a return to the:

- (1) Commonwealth,
- (2) Guam, or
- (3) United States,

filing to the Commonwealth satisfies Guam, and the United States, or in any way applicable satisfies the other. The general rule is where you are a resident of on December 31, as provided by NMTIT §935.

**Section 1204.29. Special Rules for Trust Territory Citizens and Other Citizens.**

(a) All persons born in the Commonwealth who are citizens of the Trust Territory of the Pacific Islands on the day preceding the effective date of the Covenant, and who on that date were domiciled in the Commonwealth.

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(b) All persons who are citizens of the Trust Territory of the Pacific Islands on the day preceding the effective date of the Covenant;

(1) who have been domiciled continuously in the Commonwealth for at least five (5) years immediately prior to the effective date of the Covenant, and

(2) who, unless under the age of 18, registered to vote with the Commonwealth Board of Election in the Commonwealth prior to January 1, 1975.

(c) All Other Citizens.

(1) All persons domiciled in the Commonwealth on the day preceding the effective date of the Covenant and have been domiciled five (5) years continuously in the Commonwealth beginning prior to January 1, 1974.

(d) All persons qualifying under §(a) and §(b) of this section may be treated for tax purposes as a resident of the Commonwealth, unless a minor, under 18, if:

(1) six months after reaching the age or 18 years,  
or

(2) six months after the effective date of the  
Covenant,

makes a declaration under oath before any Commonwealth Court, or any court of record in the Commonwealth, to become a resident or national of the Commonwealth of the Northern Mariana Islands.

**Section 1204.30. Permanent Change of Residence Outside the Commonwealth of the Northern Mariana Islands.** Every individual in both private and public employment who intends to permanently change his residence during the taxable year to a country outside the Commonwealth of the Northern Mariana Islands, including the United States, its territories and possessions, and depart the Commonwealth, must secure a tax clearance from the Division of Revenue and Taxation, that all fees, taxes, penalty, and interest due and owing the Commonwealth Government have been paid in full. Upon written request for a tax clearance, a determination shall be made within twenty-one days from the date of receipt of the request for clearance or the individual shall be deemed cleared.

**Section 1204.31. Identification.**

(a) Plastic Identification Card. All employees of the Division of Revenue and Taxation must wear their plastic identification card during working hours. Personnel in uniform with a metal badge are required to carry their plastic identification card in their pocket. Revenue Agents and Revenue

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Officers out in the field must also carry their plastic identification card in their pocket.

(b) Interim Identification Card. Upon initial assignment of new personnel or when an identification card is lost, an interim identification card shall be issued to employees. All bearers of the interim identification card are authorized access to all areas of operations in the central office, district offices, airports, and other ports of entry except areas which are specifically restricted to certain employees.

(c) Requirements. Employees of the Division of Revenue and Taxation are responsible for the safeguarding and proper use of uniform, badges, and plastic identification cards, and for surrendering them upon termination or demand by proper authorities. Any misuse, counterfeiting, alternation, or reproduction is a violation of law and these regulations. All employees must ensure that uniforms and badges are used only in the performance of their duties. In addition to its use for establishing an employee's identity or authority in connection with official duties, the plastic identification card may also be used for personal identification purposes, such as when cashing checks or as proof of employment, such as when applying for credit.

(d) In Case of Loss. All employees must promptly report in writing, the circumstances surrounding the loss of either a customs badge or plastic identification card. Any employee losing his/her badge or plastic identification card will be responsible for compensating the Division of Revenue and Taxation for its replacement cost if the loss was a result of the employee's negligence.

**Section 1204.32. Restricted Areas.** The following areas are restricted and only employees of the Division of Revenue and Taxation with a badge or plastic identification card and authorized individuals are permitted entry:

<u>Location</u>	<u>Restricted Areas</u>
(a) Central Office, Saipan	Entire office except lobby and taxpayer assistance area.
(b) Rota District Office Songsong, Rota	Entire office except reception area.
(c) Tinian District Office San Jose, Tinian	Entire office except reception area.

**Section 1204.33. Restrictions.** All individuals are prohibited to make, duplicate, or alter any patches, badges, identification cards, passes, symbols or emblems employed by the Division of Revenue and Taxation in the enforcement of all laws and regulations under its administration. Only authorized employees and other authorized individuals may use, possess, or process any

patch, badge, identification card, pass, symbol, or emblem employed by the Division of Revenue and Taxation.

**Section 1204.34. Rank.** Nothing in this section shall be construed as to relate to the employee's official title during his/her employment with the Division of Revenue and Taxation. "Official Title" in this section shall mean the title shown in the employee's current personnel action.

**Section 1204.35. Revenue and Taxation Employees, Bribery.** If, upon investigation, it is determined that money or anything of value was given, offered, or promised to any employee of the Division of Revenue and Taxation with the intent to control or influence such officer or employee in the performance of his official duties, the matter shall be referred to the Attorney General of the Commonwealth of the Northern Mariana Islands for prosecution under Section 301, Chapter 13, 11 TTC (CNMI).

**Section 1204.36. Informer's Name Confidential.** The informer's name and address shall be kept confidential. No files nor information concerning the informer shall be permitted to get into the possession of unauthorized individuals. No information shall be revealed which might aid the offenders in identifying the informer.

**Section 1204.37. Membership and Affiliation.** Employees of the Division of Revenue and Taxation may become members or affiliate with government boards, committees, and other respectable social organizations. However, such membership or affiliation shall be limited to only one government board, or one government committee; and the employees shall not participate in board, committee, or social organization activities during regular working hours, such as daytime meetings. The participation of employees in boards, committees, and other respectable social organization shall not interfere with the employee's activities in the Division of Revenue and Taxation.

**Section 1204.38. Operation.**

(a) A balance over a latte stone with a star in the center shall be the emblem for the Division of Revenue and Taxation. The emblem, in addition to the official seal of the Commonwealth, shall be used on letterheads, returns, identification cards, and other documents and stationeries used by the Division of Revenue and Taxation.

(b) Unless the Director of Finance or his designee has determined otherwise, the hours of operation for the Division of Revenue and Taxation shall be from 0800 to 1130 hours and 1230 to 1600 hours daily except Saturday, Sunday, or a legal holiday, and other days authorized by the Governor for government offices to be closed. During these hours, the Division of Revenue and Taxation will render services to the general public and other government agencies.



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(c) Unless the Director of Finance or his designee has determined otherwise, the regular working hours for the employees of the Division of Revenue and Taxation shall be from 0730 to 1130 hours and 1230 to 1630 hours daily except Saturday, Sunday, or a legal holiday, and other days authorized by the Governor for government offices to be closed.

**Section 1204.39. Payments.** All taxes, fees, and charges, except where other provisions of these regulations govern, shall immediately become due and must be paid in cash, or by U.S. Postal Money Order, or check drawn at a bank in the Northern Mariana Islands, or a bank in any of the states in the United States of America. Any check returned by the bank due to insufficient funds must be replaced by either cash, U.S. Postal Money Order, or certified check. Any tax, fee, or charge paid by a check and returned by the bank due to insufficient funds is construed to have not been paid when due and the payor shall be assessed and collected penalty and interest, in addition to all charges arising as result of the check being returned, including those charges pursuant to 7 CMC §2242. The Division of Revenue and Taxation shall have the right to reject any or all personal checks and demand payment in the form of cash, U.S. Postal Money Order, or certified checks.

**Section 1204.40. Interest Charge.** Interest charge of fifteen percent (15%) per annum shall be imposed on all unpaid tax and other charges. For purposes of interest computation on all taxes and other fees imposed under subtitle A of the NMTIT, the interest rate shall be in accordance with NMTIT Section 6621.

PART VI - SECTION 1205, ADMINISTRATIVE APPEALS.

**Section 1205.1. Introduction.** The Division of Revenue and Taxation hereby establishes an administrative appeals system through which disagreements on tax matters can be settled without expensive and time-consuming court trials. The objective of the administrative appeals system is to resolve tax controversies without litigation on a basis that is fair and impartial to both the taxpayer and the Government. The Technical Research and Appeals Branch shall be responsible for all aspects of the appellate process except for the appeal to the Director at §4.810.1 (d).

The Appeals Branch affords taxpayers who disagree with proposed changes of the examining officer, and other adverse decisions made by Revenue and Taxation, a prompt and independent review. The appellate procedures at §4.810.1, rev. [date revised] provide the final administrative opportunity to the taxpayer and Revenue and Taxation to resolve tax disputes fairly and without litigation.

**Section 1205.2. Procedure for Taxpayer Appeal and Preparing Protests.** A taxpayer who wishes to appeal the decision of the examining officer, or other adverse decisions made by Revenue and Taxation, must prepare a written protest.

(a) For protests regarding the BGRT or the WST, the taxpayer shall receive a letter demanding payment of the tax, or a denial of a request for refund. The taxpayer shall have 30 days (60 days for taxpayers residing outside the Commonwealth) from the date of the letter to file a written appeal with the Appeals Branch.

(b) For protests regarding the NMTIT, the taxpayer shall have 90 days (150 days for taxpayers residing outside the Commonwealth) after receiving a notice of deficiency, or other adverse decisions made by Revenue and Taxation, in which to file a written protest.

(c) The written protest shall set forth the following for all taxes:

(1) A statement that the taxpayer wants to appeal the finding of the examining officer, or an adverse decision by Revenue and Taxation, to the Appeals Branch.

(2) The name, address and Social Security Number or Taxpayer Identification Number of the taxpayer.

(i) Address shall mean the residence of individuals; the principal place of business for a corporation, partnership, or sole proprietorship.

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(3) The date and the reference number located in the top right hand of the letter containing the proposed adjustments and finding to the taxpayer.

(4) An itemized schedule of adjustments or findings upon which the taxpayer does not agree.

(5) A statement citing and outlining the law or other authority upon which the taxpayer relies.

(6) If the issues involve contested facts, then a statement of facts supporting the taxpayer's position must be included. This statement and all major evidence submitted with the protest are to be declared true under penalty of perjury. This may be accomplished by adding the protest the following declaration signed by the taxpayer as an individual or by an authorized officer of a corporation.

"Under penalties of perjury, I declare that I have examined the statement of facts presented in this protest and in any accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete."

(7) If the representative of the taxpayer prepares the protest, then he or she may substitute a declaration stating:

(i) Whether he prepared the protest and accompanying documents, and

(ii) Whether he knows personally that the statements of fact contained in the protest and accompanying documents are true and correct.

(8) The taxpayer or the taxpayer's representative shall provide copies of all documents that support the taxpayers position, and/or affidavits of witnesses that support the taxpayer's position, if such documents or affidavits have not already been supplied to Revenue and Taxation.

(d) An original and one copy of the protest must be mailed to the Division of Revenue and Taxation, ATTN: Appeals Branch, Civic Center, Saipan, MP 96950, or filed in person at the Revenue and Taxation Office located on Saipan, Rota or Tinian. Sending Revenue and Taxation a facsimile protest by the deadline for filing a protest is acceptable, but all protests sent by facsimile must be immediately followed by mailing a copy of the protest, and by a confirming phone call during the first Revenue and Taxation office hours (Monday through Friday 7:30-4:30 Marianas Standard Time, excluding CMNI holidays) after the facsimile was sent, to ensure Revenue and Taxation received the facsimile.

**Section 1205.3. Appellate Conference**

(a) An Appeals Officer or the Appeals Branch Manager shall be the presiding officer at the Appeals Conference. More than one conference may be scheduled if necessary to gather all the relevant facts or to reach a settlement, but there shall be no unnecessary delays in the appeals process.

(b) The presiding officer, or the presiding officer's supervisor, if applicable, shall make a recommendation regarding the disposition of the case to the Director of Finance. The ultimate decision of whether to agree to any settlement between the taxpayer and Revenue and Taxation at the Appellate Conference level is vested in the Director of Finance. The Director of Finance shall sign the closing agreement if a settlement between the Appeals Branch and the taxpayer is reached. If no agreement is reached, the Director of Finance shall issue a statutory notice of deficiency for cases involving the NMTIT, or a letter disallowing the taxpayer's position for cases involving the BGRT, WST, and other CNMI taxes.

(1) If a settlement was agreed to, the taxpayer shall receive a copy of the closing agreement within 14 days of the Appellate Conference at which the settlement was made. The taxpayer shall have 14 days (30 days if the taxpayer is not a resident of the CNMI) to sign and return the closing agreement. If the taxpayer does not sign and return the agreement by the preceding deadlines, the agreement shall be void, and Revenue and Taxation shall issue a letter disallowing the taxpayer's position for cases involving the BGRT, WST, and other CNMI taxes, or a statutory notice of deficiency for the NMTIT.

(2) If no settlement was agreed to, Revenue and Taxation shall mail a letter denying the taxpayer's position within 14 days of the Appellate Conference for cases involving the BGRT, WST, and other CNMI taxes, or shall issue a statutory notice of deficiency for cases involving the NMTIT.

**Section 1205.4. Appeal to the Director.** The Director shall grant a hearing reviewing the decision of the Appeals Branch of the Division of Revenue and Taxation on the basis that an error of law was committed, or because manifest justice dictates a review.

(a) If no agreement was reached between the Appeals Branch and the taxpayer, the taxpayer has 14 days from the date of the letter denying the taxpayer's position, or the date of the statutory notice of deficiency in which to make a written appeal with the Director of Finance. Written appeals to the Director shall be sent by mail and addressed to The Director of Finance, Capital Hill, Saipan, MP 96950, or filed in person at the Office of the Director, Capital Hill, Saipan, or sent by facsimile so long as a copy of the written appeal is mailed immediately.

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(1) A copy of the written appeal to the Director shall be delivered to Revenue and Taxation by the aforementioned deadline.

(2) The written appeal to the Director shall set forth the taxpayer's reasons for asserting that the Division of Revenue and Taxation committed an error in law, or a manifest injustice, in reaching their decision.

(i) The legal basis for the taxpayer's assertion shall include citations to all laws on which the taxpayer relies, and an explanation of the applicability of those laws to the present case.

(b) The Director shall respond to the taxpayer's written request for a hearing from the Director within 14 days of receipt of the written protest.

**Sectopm 1205.5 Representation.** A taxpayer may represent him or herself at an Appellate Conference or Director's hearing, or be represented by an attorney, certified public accountant, or any individual who satisfies the requirements of Treasury Department Circular No. 230. All necessary forms regarding a taxpayer's representative shall be filed with the Division of Revenue and Taxation, not the Internal Revenue Service. Taxpayers' representatives shall be subject to the provisions of Treasury Circular No. 230, and all future amendments or revisions of Treasury Circular No. 230, in his or her representation of the taxpayer.

(1) If the taxpayer's representative attends an appellate conference or Director's hearing without the taxpayer, or if the taxpayer desires that Revenue and Taxation officers or employees discuss the case with the taxpayer's representative at any time the taxpayer is not present, then the taxpayer and their representative must complete Form 2848, Power of Attorney, or Form 2848D, Authorization and Declaration. Form 2848 alone will not permit the representative to receive notices addressed to the taxpayer or to receive other tax information. A written authorization that contains that same information as Form 2848 or Form 2848D may substitute for either form.

(2) The taxpayer may bring any witness who can furnish evidence or who possesses facts concerning the issues in question to the appellate conference or Director's hearing. The taxpayer may also bring any documents which can furnish evidence concerning the issues in question to the appellate conference or Director's hearing.

**Section 1205.6 Appeal to the Courts.** The taxpayer may withdraw from the Appellate procedure at any point (until the closing agreement is signed and returned to Revenue and Taxation), pay the tax, and file a suit for refund in the appropriate court as outlined below. However, if the Director has rendered an adverse

decision, the taxpayer has one year from the date of the adverse decision to file a suit for refund.

(a) Generally, a taxpayer will file a suit for a refund of NMTIT paid in the District Court for the Northern Marianas.

(1) An appeal of a decision of the District Court of the Northern Marianas shall be made to the Ninth Circuit Court of Appeals.

(b) Generally, a taxpayer will file a suit for refund of the BGRT, WST and other CNMI taxes, in the Commonwealth Superior Court.

(1) An appeal of a decision of the Commonwealth Superior Court shall be made to the Supreme Court of the Northern Mariana Islands.

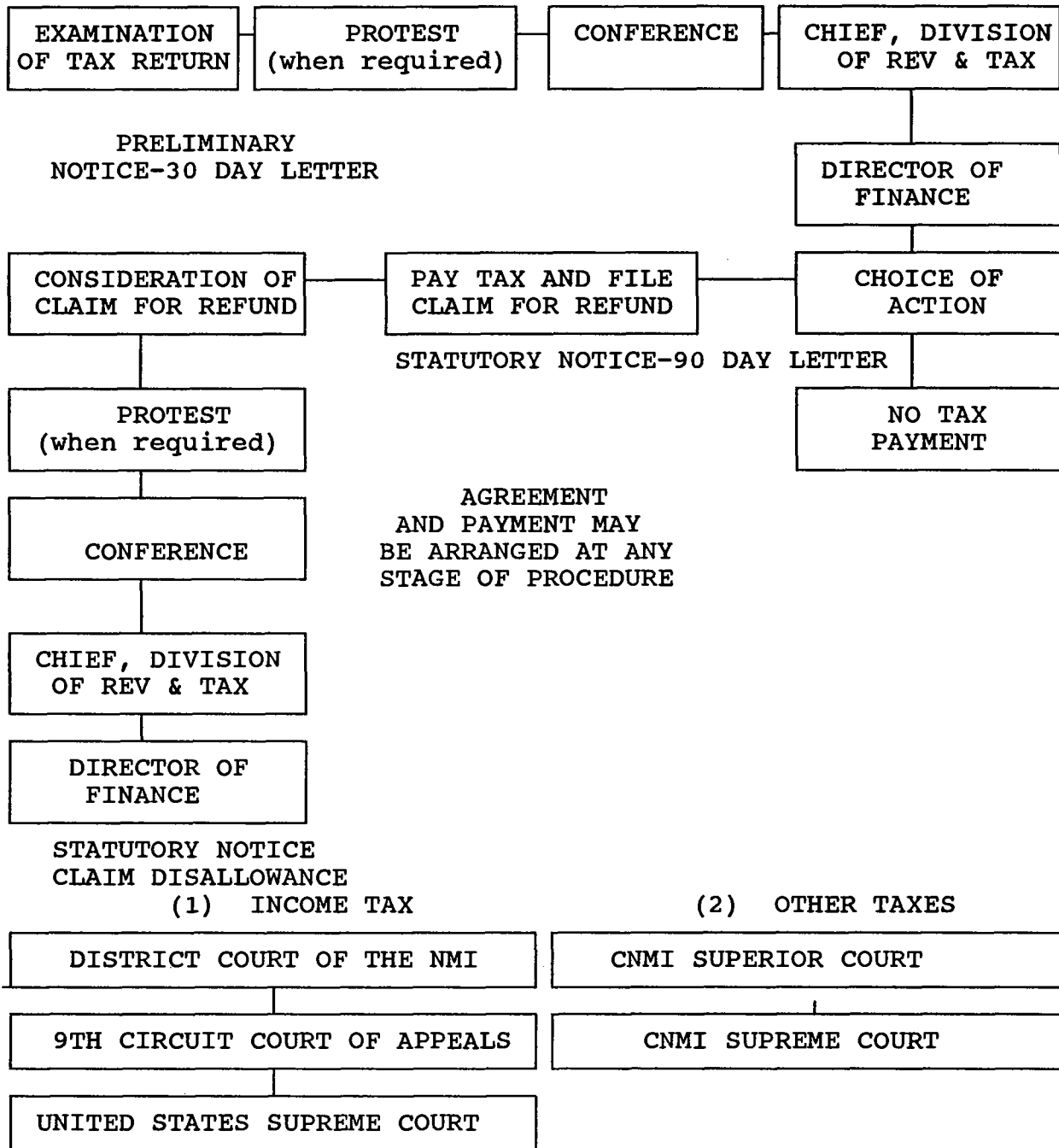
(c) An adverse decision of the Director shall additionally be defined as the final decision of the Director.

(1) In cases involving the NMTIT, the decision of the Director is final if no petition is filed by the taxpayer in the District Court for the Northern Marianas within 90 days (150 days if the taxpayer is not a resident of the CNMI) of the date of a notice of deficiency, and the taxpayer and Revenue and Taxation have not entered into an agreement to rescind the notice of deficiency prior to the expiration of the 90 day (150 day) period. If the taxpayer and Revenue and Taxation have entered into an agreement to rescind the notice of deficiency, then the final decision of the Director shall be 90 days (150 days if the taxpayer resides outside the CNMI) after the notice of deficiency is reinstated.

(2) In cases involving the BGRT, WST, and other CNMI taxes, the decision of the Director is final when all administrative procedures have been exhausted. If a taxpayer does not appeal a disallowance of his or her position to the Appeals Branch within 30 days of disallowance the taxpayer's position, then that shall be deemed the final decision of the Director. Where the taxpayer has filed a protest with the Appeals Branch, if the taxpayer does not appeal the decision of the Appeals Branch to Director within 14 days, then that shall be deemed the final decision of the Director. The Director's denial of an Appeal to the Director shall be deemed the final decision of the Director. If the Director grants a hearing, then the decision of the Director is final when he or she signs a closing agreement with the taxpayer or denies the taxpayer's position following the hearing.

(d) The taxpayer does not need to first pay the outstanding tax in order to file a suit to determine the correctness of the tax in cases regarding the NMTIT where the taxpayer files a petition with the District Court for the Northern Mariana Islands within 90 days (150 days if residing outside the Commonwealth) of the date of the notice of deficiency.

DIVISION OF REVENUE AND TAXATION



Part VII - SECTION 1206 POKER and AMUSEMENT MACHINES

Section 1206.1. Poker Machines .

(a) Application for and Renewal of a License.

(1) all applications for a poker machine license or license renewal must contain --

(i) the statutorily required license fee;

(ii) the make, model, year, brand name and serial number of each machine;

(iii) the location (by building, village and island) of each machine;

(iv) an accurate color photograph of the machine while in operation with its screen illuminated;

(v) a notarized statement by the applicant of the machine regarding---

(1) the payout ratio of each machine on the average,

(2) whether or not the operator or owner can modify the payout ratio in subdivision (1) above, and to what extent.

(vi) a statement under penalty of perjury that the application data are true and correct.

(2) Once an initial license is issued to a person for a machine, all subsequent licenses for such machine licenses shall be renewals and subject to the full annual license fees.

(3) A license can be renewed for an applicant only for a machine that was licensed to that applicant in the same senatorial district the previous calendar year.

(4) The annual license fee may be prorated on a quarterly basis for the initial issuance of licenses for new poker machines.

(b) Meters.

(1) All owners of poker machines must notify each machine licensed for commercial operation on or before December 31, 1988 by placing a meter inside the machine for recording the number of coins inserted into the machine.

(2) Such meter is to be read each time the machine is opened for fills and withdrawals. Each reading must be kept as a permanent accounting record of all poker machine businesses.



(c) Tags.

(1) Licensed poker machines must bear a numbered tag on the top right-hand corner of the screen or viewing window or scoreboard; or for those machines without viewing window, screen or scoreboard, the area designated by the Chief of Revenue and Taxation or his designee. This tag may be removed only by the Division of Revenue and Taxation. A second identical tag shall be placed inside the poker machine.

(2) No poker machine may be operated unless it has a valid tag affixed to its cabinet. No tag can be transferred from one machine to another. A replacement tag will be issued and a fee of \$25 will be charge and collected for each new tag. The poker machine owner shall report to the Division of Revenue and Taxation whenever a tag is lost or defaced, and said tag will be promptly replaced by the Division of Revenue and Taxation after the Division verifies the tag number from the identifying tag inside the machine and a replacement fee of \$25 is paid to the Division of Revenue and Taxation.

(d) Issuance of License.

(1) Upon receipt of an application for a poker machine license or license renewal, the Division of Revenue and Taxation may visit the premises designated in the application and certify that the information contained in the application is true and correct. If the application meets all requirements, a license will be issued within 60 days from the date the application is received. Said license shall be in writing and must be kept on the premises where the machine is located for inspection upon demand by the Division of Revenue and Taxation. A renewal license can be issued only for a machine that was licensed in the calendar year immediately preceding the renewal year. A new machine licensed to replace an inoperative poker machine shall be licensed as a new machine.

(2) An application for initial or renewal license may be denied if the applicant has violated Public Law 5-3 and these regulations.

(3) Before a license is issued, all charges, taxes and fees relating to poker machines must be fully paid, including applicable penalty and interest charges.

(e) Replacement of Machines.

(1) For Senatorial District 3, Saipan and all islands north of Saipan, the method to lower the number of poker machines to the statutory limit of 200 is as follows:

(i) The total number of machines licensed to each owner as of the effective date of these regulations, shall be divided by 246. This yields the distribution ratio.

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EXAMPLE I

<u>Owner</u>	<u>No. of Machines on Effective Date</u>	<u>Distribution Ratio</u>
A	98	39.84
B	29	11.79
C	76	30.89
D	10	4.07
E	11	4.47
F	2	.81
G	<u>20</u>	<u>8.13</u>
	246	100.00%

(ii) The statutory ceiling of 200 is multiplied by the distribution ration in paragraph (a) to determine the maximum number of machine and owner shall have at the time the 200 level is reached.

EXAMPLE II

<u>Owner</u>	<u>Distribution Ratio</u>	<u>Statutory Limit</u>	<u>No. of Machines Authorized at 200 Level</u>
A	39.84	X 200 =	79
B	11.79	X 200 =	24
C	30.89	X 200 =	62
D	4.07	X 200 =	8
E	4.47	X 200 =	9
F	.81	X 200 =	2
G	8.13	X 200 =	<u>16</u>
			200

EXAMPLE III

<u>Owner</u>	<u>See Example I</u>	<u>Potential Reduction</u>	<u>Target Level</u>
A	98	19	79
B	29	5	24
C	76	14	62
D	10	2	8
E	11	2	9
F	2	0	2
G	<u>20</u>	<u>4</u>	<u>16</u>
	246	46	200

(iii) Before reaching the target level as shown in Example III, an owner may be authorized to replace poker machines with any number that will maintain the target level (see Examples IV and V).

EXAMPLE IV

After several attempts to repair licensed poker machines, Owner A determined that eight machines were irreparable. Because Owner A needs to reduce its inventory of poker machines by 19 as shown in Example III, the eight irreparable machines cannot be replaced.

EXAMPLE V

During Supertyphoon Kim, 12 of the 20 poker machines in the same room of Owner G were soaked with salt water. These 12 machines were damaged beyond repair. Since Owner G is required to reduce its machines by 4, Owner G may be authorized to replace 8 of the broken machines. The eight machines that were not destroyed by the typhoon and the eight new machines brings the number of poker machine to the target level of 16. Should any of the 16 machines subsequently become defective and need to be replaced, Owner G may be authorized to make such replacement on a one to one basis.

(2) There is no special rule for replacement of machines in Senatorial Districts 1 and 2, Rota and Tinian-Aguiguan respectively. Poker machines in these districts may be replaced pursuant to other sections of these regulations provided that the total number of machines in each district does not exceed 200 at any given time.

(f) Quota Transferable.

(1) The distribution ratio established on the effective date of these regulations determine the maximum number of machines that each owner should have in order to reduce the total number of machines in Senatorial District #3 to 200.

(2) If an owner maintains his poker machine inventory at a level lower than the determined quota for three months, the owner shall lose the right to that quota and the portion shall immediately become available for use by other persons, provided the maximum number of poker machine in a district is less than 200.

(3) Such unused quota shall be made available to qualified applicants based on procedures to be established by the Division of Revenue and Taxation. The acquisition of such quota by a qualified applicant simply gives the person the right to apply for a license.

(4) If a poker machine business is sold, the quota of the former owner is automatically transferred to the new person.

(g) Movement of Machines. Before any poker machine can be relocated from one building or business location to another, the

**PROPOSED REVENUE AND TAXATION REGULATIONS 1200**

owner of the machine must first submit a written request to the Chief of Revenue and Taxation. The request must be signed by the owner of the poker machine in question under penalty of perjury. The request must include the following information:

1. present location of the poker machine to be moved,
2. the intended location of the poker machine to be moved
3. the serial number and the CNMI tag number of such machine.

The Chief of Revenue and Taxation must act on the relocation request within 10 normal working days after receipt of such request. If any poker machine is found to have been moved without prior written approval from the Chief of Revenue and Taxation, the owner of such machine shall have his license to operate poker machines suspended for no less than 30 days and not more than 180 days.

(h) Notification of Machine Location. Within 30 days after the effective date of these regulations, each licensee shall give written notice to the Division of Revenue and Taxation of the location, by building, village and island of each of its licensed poker machines.

(i) Time Deadlines. A license renewal application shall be submitted between December 1 and December 31 of each year with payment for the total number of machines to be licensed. The Division of Revenue and Taxation shall review the information contained therein and inspect the machines. The poker machines may continue in operation during the review period unless the license application is denied.

(j) Violation.

(1) If the Division of Revenue and Taxation receives a report in writing that a machine is being operated without a license or that a poker machine has been moved from one building or business location to another without the prior approval of the Chief of Revenue and Taxation, or in violation of Public Law 5-3 and these regulations, then the Department of Finance shall promptly investigate said report and take appropriate action to ensure compliance.

(2) Poker machines operating in violation of law or these regulations shall be dealt with in accordance with the applicable CNMI laws.

(3) If an unlicensed machine is seized, the owner and the operator shall be jointly and severally liable for the cost of transporting the machine, a reasonable storage charge of not less than \$25 per day per machine, and any labor charges incurred in the transfer.

(4) The Department of Finance, the Division of Revenue and Taxation, and the Commonwealth Government shall not be

liable for damages arising from the seizure and/or confiscation of unlicensed machines, including damages occurring during transfer and storage, provided that reasonable care is used in seizure and confiscation.

(k) Trademark and Serial Numbers. All poker machines imported into the Commonwealth for commercial use must have a trademark and a serial number. Poker machines without a trademark and a serial number shall not be issued a license.

(l) Transfer of License.

(1) No poker machine license tag may be transferred from a defective or malfunctioning machine to an operative machine.

(2) Any poker machine in Senatorial District #1 or Senatorial District #2 that is certified by the Division of Revenue and Taxation as being irreparable may be replaced by another poker machine, provided the replacement poker machine is licensed by the Division of Revenue and Taxation before installation, and provided further that the total number of machines is within the statutory limit.

(m) License Proceedings.

(1) Denial of an Application of License. Whenever the Chief of Revenue and Taxation ("Chief") has reason to believe that an applicant is not eligible to receive a license, he may issue a notice of denial to the applicant. The notice shall set forth the matters of fact and law relied upon in determining that the application should be denied, and shall afford the applicant 15 days from the date of receipt of the notice in which to request a hearing to review the denial. If no request for a hearing is filed within such time, the application shall be disapproved and a copy, so marked, shall be returned to the applicant.

(2) Hearing After Application Denial. If the applicant for an original or renewal license desires a hearing to review the denial of his application, he shall file a request therefor, in duplicate, with the Chief within 15 days after receipt of the notice of denial. The request should include a statement of why the application should not have been denied. On receipt of the request, the Chief shall, as expeditiously as possible, make the necessary arrangement for the hearing and advise the applicant of the date, time, and location of the hearing. Such notification shall be made not less than 10 days in advance of the date set for the hearing. On conclusion of the hearing and consideration of all relevant facts and circumstances presented by the applicant or his legal representative, the Chief shall render his decision confirming or reversing the denial of the application. If the decision is that the denial should stand, the Chief's findings and conclusion shall be furnished to the applicant. If the decision is that the license applied for should be issued, the applicant shall be so notified, in writing, and the license shall thereafter be issued.

(3) **Notice of Contemplated Revocation or Suspension.** Whenever the Chief has reason to believe that a licensee has violated any provision of these regulations or the law governing poker machines, he may issue a notice of contemplated revocation or suspension of the license. The notice shall set forth the matters of fact constituting the violations specified, dates, places, and the sections of law or regulations violated. The Chief shall afford the licensee 15 days from the date of receipt of the notice in which to request a hearing prior to revocation or suspension of the license. If the licensee does not file a timely request for a hearing, the Chief shall issue a notice of revocation or suspension.

(4) **Request for Hearing After Notice of Contemplated Revocation or Suspension.** If a licensee desires a hearing pursuant to receipt of a notice of contemplated revocation or suspension of his license, he shall file a request therefor with the Chief within 15 days after receipt of the notice of contemplated revocation or suspension. On receipt thereof, the Chief shall, as expeditiously as possible, make the necessary arrangements for the hearing and advise the licensee of the date, time, and location of the hearing. Such notification shall be made not less than 10 days in advance of the date set for the hearing. Upon conclusion of the hearing and consideration of all relevant presentations made by the licensee or his representative, the Chief shall render his decision and shall prepare a brief summary of the findings and conclusions on which the decision is based. If the decision is that the license should be revoked or suspended, a copy of the summary shall be furnished to the licensee with the notice of revocation or suspension. If the decision is that the license should not be revoked or suspended, the licensee shall be so notified in writing.

(5) **Hearing After Notice of Revocation or Suspension.**

(a) If the licensee did not request a hearing on receipt of the notice of contemplated revocation or suspension of his license, but does file a request for a hearing within ten days after being served the notice of revocation or suspension, the Chief shall arrange for, and conduct, a hearing. If, after the hearing, the Chief finds that the license should be revoked or suspended, he will serve final notice of revocation or suspension on the licensee, with a copy of his findings and conclusions. If he decides that the license should not be revoked or suspended, he will so notify the licensee, in writing.

(b) If a hearing was held prior to notice of revocation or suspension, and the licensee files a request for a hearing within 10 days after receipt of a notice of revocation or suspension, the Chief shall refer the matter to the Director of Finance ("Director"). The Director shall set a time and place for the hearing and shall serve notice thereof on the licensee at least 10 days in advance of the hearing date.

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(6) **Decision of Director.** Within a reasonable time after the conclusion of a hearing, the Director shall issue a decision. Any decision of the Director for the revocation or suspension of a license shall include a statement of the findings and conclusions upon all material issues of fact, law, or discretion presented on the record. A signed duplicate original of the decision shall be served on the licensee.

(7) **Hearings.** All hearings, provided herein, shall be conducted in accordance with the applicable provisions of 1 CMC §9109.

(8) **Service on Applicant or Licensee.** All notices and other formal documents required to be served on an applicant or licensee under this Section shall be served by certified mail or by personal delivery. Where service is by certified mail, a signed duplicate original copy of the formal document shall be mailed, with return receipt requested, to the applicant or licensee at the address stated in his application or license, or to his last known address. Where service is by personal delivery, a signed duplicate original copy of each notice or other formal document required to be served shall be delivered as provided by law.

(9) **Representation at a Hearing.** An applicant or licensee may be represented by an attorney.

(10) **Designated Place of Hearing.** The designated place of hearing shall be at a location convenient to both parties.

(11) **Operations by Licensees After Notice.** In any case where denial or revocation or suspension proceedings are pending before the Division of Revenue and Taxation, or notice or denial or revocation or suspension has been served on the licensee and he has filed timely request for a hearing, the license in the possession of the licensee shall remain in effect even though (a) such license has expired or (b) the revocation or suspension date specified in the notice or revocation or suspension served on the licensee has passed; Provided, that the licensee has timely filed an application for the renewal of his license in accordance with these regulations.

(12) **Judicial Review.** If a licensee is dissatisfied with a post-hearing decision revoking or suspending the license or denying the application, as the case may be, he may, within 30 days after receipt of the final notice denying an application or revoking a license, file a petition for judicial review of such action with the Commonwealth Trial Court. Pending judicial review, the Director shall:

(i) postpone the effective date of revocation or suspension of a license or;

(ii) authorize continued operations under an expired license, as applicable.

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(n) Separate Room. Poker machines operated in a retail store shall be segregated from the business area of the store by a wall or barrier at least four feet high, and only people 18 years of age or older shall be allowed entry into the poker machine enclosure. Poker machines may be operated in hotel or motel lobbies without a wall or barrier.

(o) Informational Application. An application conforming to subsections A(i)(b), (c), (d), (e) and (f) of this section shall be filed with the Director of Finance by owner/operator of a poker machine within 30 days from the effective date of these regulations. Failure to file such application shall be grounds for suspension of the poker machine license until the application is received and verified.

(p) Monthly Reporting. Owner/operators of poker machines must report to the Division of Revenue and Taxation on or before the last day of the month, or within three (3) working days if the winning is \$1,000 or more, all jackpots paid and date of payment, and must include the full name of the payee, Social Security number, home address and post office box number, if any. Failure to comply will be grounds for suspension or revocation of an existing poker machine license or for denying an application for a poker machine license.

(q) Other Reporting Requirements. Owners/operators of poker machines must strictly adhere to all reporting requirements under the tax laws of the Commonwealth of the Northern Mariana Islands, including the filing of information returns and payments of taxes. Failure to comply will be grounds for suspension or revocation of an existing poker machine license or for denying an application for a poker machine license.

**Section 1206.2. Amusement Machines**

(a) Licenses

(1) All amusement machines, including inoperative amusement machines, in the Commonwealth must be licensed before they can be used for commercial purposes.

(2) Licenses for the commercial operation of amusement machines must be applied for on a form prescribed by the Director of Finance-

(i) before a new amusement machine is operated, and

(ii) not later than December 31, for all renewals.

(3) Before a license is issued, all charges and fees relating to amusement machines must be fully paid, including applicable penalty and interest charges.



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(4) An initial license issued for an amusement machine shall be effective from the date of issue until December 31, unless revoked or replaced.

(5) Renewal licenses for amusement machines shall be effective from January 1 to December 31, unless revoked or replaced.

(6) All amusement machine licenses shall expire December 31. No amusement machine shall be operated after December 31 until a renewal license was applied for, paid, and issued by the Division of Revenue and Taxation.

(7) All new and renewed license applications for amusement machines must be accompanied by a listing of machines to be licensed showing the following information:

(i) Type of machine to be licensed.

(ii) Serial number of the machine to be licensed.

(iii) The location where the machine is to be used. The location must include the name of the establishment and address (municipal district number and village) of the establishment.

(iv) The license tag issued by Revenue and Taxation. For licenses of new machines, the word "new" must be indicated.

(8) All amusement license fees shall become due and payable at the time the license application is submitted to the Revenue and Taxation.

(9) Once an initial license is issued, all subsequent licenses shall be renewals and subject to the full annual license fees.

(10) The annual license fees may be prorated on a quarterly basis for the initial issuance of licenses for new amusement machines. The annual license fees may also be prorated for the operation of amusement machines which were not in use one year or more after they were registered with the Division of Revenue and Taxation as inoperative machines. The license fee for inoperative machines shall be the annual fee if the machines were inoperative less than one calendar year. All license fees are due and payable pursuant to paragraph (8) of this section.

(11) A separate license certificate shall be issued for each class of machine showing the serial numbers of machines licensed and the numbers of the license tags issued by the Division of Revenue and Taxation.

(b) License Tag

(1) Licensed amusement machines must bear a Commonwealth Government license tag on the top right-hand corner of the screen or viewing window or scoreboard; or for those machines without viewing window, screen or scoreboard, the area designated by a Revenue Officer. Only licensed amusement machines may be operated commercially in the Commonwealth.

(2) A licensed machine cannot be replaced by another machine which is not licensed.

(3) Owners and/or operators of amusement machines are responsible to ensure that the license tags are not removed, defaced, or destroyed. Owners and/or operators are also responsible for the expenses of replacing damaged license tags.

(4) Damaged license tags shall be replaced by the Division of Revenue and Taxation. The operator of the machine shall be required to pay a \$5 retagging fee for each new license tag issued.

(5) A license tag shall not be removed from one machine to another machine. The owner or operator shall be charged \$100 for each new license tag issued for this purpose.

(6) The Division of Revenue and Taxation shall have the right to confiscate unlicensed machines and store them at a location it chooses to utilize. Confiscated machines shall remain in the custody of the Division of Revenue and Taxation until the machines are properly licensed. The annual license fees for confiscated machines shall not be prorated.

(7) If an unlicensed machine is confiscated, both the owner and the operator shall be liable for the cost of transporting the machine, storage charge of \$5 per day per machine, labor cost, and other charges incurred in the transfer of the machine from the operator/owner's place of business to the storage facility of the Commonwealth Government. These charges must be paid prior to the issuance of a license.

(8) The Division of Revenue and Taxation shall not be liable for damages arising from the confiscation of unlicensed machines, and including damages occurring during transfer and storage.

(c) Trademark and Serial Numbers. Effective with the effective date of this amendment, all amusement machines imported into the Commonwealth for commercial use must have a trademark and a serial number. Amusement machines without a trademark and a serial number shall not be issued a license.

(d) Relocating Amusement Machines. Before any amusement machine can be relocated from one building or business location to another, the owner of the machine must first submit a written

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request to the Chief of Revenue and Taxation. The request must be signed by the owner of the amusement machine in question under penalty of perjury. The request must include the following information:

1. present location of the amusement machine to be moved,
2. the intended location of the amusement machine to be moved,
3. the serial number and the CNMI tag number of such amusement machine.


The Chief of Revenue and Taxation must act on the relocation request within 10 normal working days after receipt of such request. If any amusement machine is found to have been moved without prior written approval from the Chief of Revenue and Taxation, the owner of such machine shall have his license to operate amusement machines suspended for no less than 30 days and not more than 180 days.

(e) The Division of Revenue and Taxation may revoke an amusement machine license due to nonpayment of the license fees, taxes, penalty, interest, and other fees and charges due and owing the Commonwealth by the owner and/or operator, and/or for noncompliance with these regulations.

(f) All charges imposed by this section and 4 CMC Section 1504 shall be the liability of any owner or lessee, or any officer, manager, or representative of any owner or lessee, of the amusement device, or any person operating or managing any business at which such amusement machine is offered for patronage.

PART VIII - SECTION 1207, SEVERABILITY

**Section 1207.1. Severability.** If any provision of these regulations shall be held invalid by a court of competent jurisdiction, the validity of the remainder of the regulations shall not be affected thereby.

Issued by:   
Eloy S. Inos  
Director of Finance

2/14/92  
Date

Filed and Recorded by:   
for Soledad B. Sasamoto  
Registrar of Corporations

2/14/92  
Date



**Department of Finance**  
 Office of the Director  
 Commonwealth of the Northern Mariana Islands  
 P.O. Box 234 CHRB  
 Saipan, MP 96950

Cable Address  
 Gov. NMJ Saipan  
 Phone: 322-3245-3246  
 Facsimile: 322-4310

February 14, 1992

**PUBLIC NOTICE**

**PROPOSED**

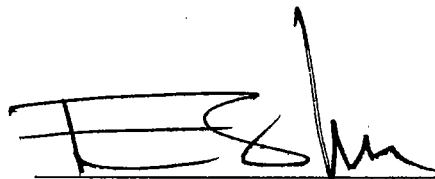
**CUSTOMS SERVICE REGULATIONS NO. 1300**

The Director of the Department of Finance hereby provides public notice of proposed Customs Service Regulations No. 1300. The proposed Customs Service regulations are to be promulgated under the authority given to the Director of Finance at 1 CMC §2557. These regulations provide for the day to day operations of the Division of Customs Service, including provisions for the administration and collection of excise taxes, ports of entry into the Commonwealth, and procedures for entering and exiting the Commonwealth.

Written comments regarding the proposed regulations must be received by March 15, 1992, and addressed to:

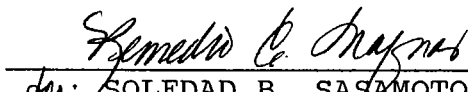
Director of Finance  
 P.O. Box 5234 CHRB  
 Saipan, MP 96950

Issued by:

  
 \_\_\_\_\_  
 ELOY S. INOS  
 Director of Finance

  
 \_\_\_\_\_  
 Date

Filed and  
 Recorded by:

  
 \_\_\_\_\_  
 for: SOLEDAD B. SASAMOTO  
 Registrar of Corporations

  
 \_\_\_\_\_  
 Date



Department of Finance  
Office of the Director  
Commonwealth of the Northern Mariana Islands  
P.O. Box 234 CHRB  
Saipan, MP 96950

Cable Address  
Gov. NMJ Saipan  
Phone: 322-3245-3246  
Facsimile: 322-4310

Febreru 14, 1992

NOTISIAN PUBLIKO

SETBISION CUSTOMS REGULASION 1300

I Direktot i Fainansiat ha na guahahayi Notisian Publiko pot i mapropo-poni na Regulasion pot Setbision Customs Numeru 1300. Este i mapropo-poni na regulasion pot i Setbision Customs Numero 1300 manahuyong ginen i autoridat ni manai i Direktot i Fainansiat gi papa i 1 CMC Seksiona 2557. Este na regulasyon hana guahahayi areglo para i kada dia na aktibidad i Dibision Setbision Customs, kontodo para i ma administran i ma rekohen i excise tax, yan areglamento pot hinalom yan hiniyong catga yan pasahero siha guine gi Commonwealth.

Todo petsonas yan indibiduat nui man tineteka pat man gai interes nuesta siha na regulasion sina matugi i kinentran niha, sapottasion niha, pat opinion niha ya uma satmite halom antes de i Matso dia kinse, 1992, gi sigente na address:

Director of Finance  
P.O. Box 5234 CHRB  
Saipan, MP 96950

Pineblika As:

ELOY S. INOS  
Direktot i Fainansiat

2/14/92  
Fecha

Mafiled yan  
Renihistra As:

for: SOLEDAD B. SASAMOTO  
Registrar of Corporations

2/14/92  
Fecha



# Department of Finance

Office of the Director

Commonwealth of the Northern Mariana Islands

P.O. Box 234 CHRB

Saipan, MP 96950

Cable Address

Gov. NMJ Saipan

Phone: 322-3245-3246

Facsimile: 322-4310

I, Eloy S. Inos, the Director of the Department of Finance who is publishing proposed Customs Service Regulations No. 1300, by signature below hereby certify that the Customs Service Regulations No. 1300 are a true, correct, and complete copy of the regulations proposed by the Department of Finance for the Division of Customs Service. I further request and direct that this certification and the proposed Customs Service Regulations No. 1300 be published in the Commonwealth Register.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 14th day of February, 1992 at Saipan, Commonwealth of the Northern Mariana Islands.

  
ELOY S. INOS, Director  
Department of Finance

**Department of Finance  
Division of Customs Service  
Regulations No. 1300**

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**DEPARTMENT OF FINANCE  
CUSTOMS SERVICE REGULATIONS NO. 1300**

Part I - GENERAL PROVISIONS

**Section 1300.1. Authority.** The authority for the promulgation and issuance of Customs Service Regulations No. 9101 is by virtue of 1 CMC §§ 2553 and 2557.

**Section 1300.2. Purpose.** The purpose of the regulations is to establish policy and procedures to implement and provide uniform enforcement of the Customs Laws of the Commonwealth of the Northern Mariana Islands; to require complete customs service to control imports of all articles, wares, or merchandise for the assessment and collection of taxes and for the interception of harmful elements and other contraband.

**Section 1300.3. Customs Service.**

(a) Administration and Enforcement.

(1) The Customs Service Division of the Commonwealth of the Northern Mariana Islands shall consist of trained men and women under the supervision of the Chief of Customs Service Division. Men and women of the Customs Service are law enforcement officers who are engaged in the enforcement of the excise tax laws, the Controlled Substances Act, the Weapons Control Act, the Anti-Drug Abuse Act of 1991, and other local and federal laws enforced at the ports of entry; and in the interception of other contraband, such as items quarantined by law.

(2) The Chief of Custom Service Division, however, may utilize, by agreement, the personnel services and facilities of other agencies of the Commonwealth Government of the Northern Mariana Islands or other government agencies for proper enforcement of excise tax laws, other laws enforced at the ports of entry, and these and other related regulations.

(b) Function.

(1) The Customs Service Division of the Commonwealth of the Northern Mariana Islands shall administer and enforce all excise tax laws and shall intercept illicit imports of narcotics, nonregistered weapons, and other contraband at the ports of entry; and is hereby authorized to develop procedures and policies, including procedures and policies for the purpose of conducting searches on individuals, not covered by these regulations, necessary for the proper functioning of the Customs Service. All monies due pursuant to excise tax laws shall be

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collected by the Customs Service Division and be deposited with the Treasurer of the Commonwealth Government.

(2) The Customs Service Division of the Commonwealth of the Northern Mariana Islands shall maintain all records and documents associated with the administration and enforcement of excise tax laws and other related regulations. Only authorized employees of the Customs Service Division shall have access to these records and documents. Employees of the Customs Service Division are not authorized to furnish any information to any person regarding another person's records maintained pursuant to law and these and other related regulations.

**Section 1300.4. Rota and Tinian District Offices.**

The Customs Service Division shall have district offices in Rota and Tinian for its activities in these senatorial districts. The functions of the district operations shall be under the supervision of the Director of Finance or his designee.

**Section 1300.5. Regulations Superseded.**

Customs Service Regulations No. 9101 supersedes all rules and regulations published prior to January 31, 1983, including those rules and regulations issued to enforce taxation and customs laws under Revenue and Taxation Regulations No. 8301 and all amendments thereto to the extent made applicable to the Customs Service Division.

**Section 1300.6. Definitions.**

(a) Aircraft - The word "aircraft" means any contrivance used or capable of being used for flight in the air.

(b) Air Waybill - See Bill of Lading.

(c) Annual - For purposes of Chapter V of Public Law 3-11, the term "annual" as used in these regulations and in Public Law 3-11 and amendments, unless the context otherwise requires, means a calendar year.

(d) Bill of Lading/Air Waybill - Whenever the term "Bill of Lading" is used in these regulations it means documents prepared by the operator or agent of a carrier, or non-vessel operating common carrier (NVOCC), listing and describing the contents of the cargo carried on a vessel or aircraft consigned to a person. "Bill of Lading" shall also mean "Air Waybill".

(e) Board of Directors, Payment to Members of - Compensation for personal services to any person who is a member of any board of directors shall be taxed pursuant to Section 201, Public Law 3-11.

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(f) Carrier - The word "carrier," unless the context requires otherwise, means any description of craft or other contrivance used, or capable of being used as a means of transportation on the water or in the air, including pleasure vessels, vessels and non-vessel operating common carriers, and private aircraft.

(g) Chief - The word "Chief" means the Chief of the Customs Service Division.

(h) Commonwealth - The word "Commonwealth" means the Commonwealth of the Northern Mariana Islands as defined in 4 CMC Section 1103(d).

(i) Construction Material - For purposes of Section 402(g) of Public Law 3-28 (an amendment to Public Law 3-11), construction material means materials which are part of the basic components of a building structure. The basic components of a building structure shall include cement, gravel, lumber, nails, rebars, windows, doors, pipes, hollow blocks, electrical and plumbing supplies, door and window frames, doorknobs, ceramics, tiles, sinks, toilets, and paint.

(j) Consumer - The word consumer means a person, as defined in 4 CMC Section 1103(q), who receives, purchases, uses, conserves, dissipates or squanders goods and services.

(k) Customs Agent - The term "customs agent" means Custom Supervisor, Customs Officer, Customs Inspector, Customs Captain, Customs Lieutenant, Customs Major, Customs Technician, and any person authorized to perform the duties of a Customs Agent including persons employed by another government agency.

(l) Customs Jurisdiction - All compounds of all ports listed in Subsection (2) of this section shall be under the jurisdiction of the Customs Service for clearance purposes in international travel.

(m) Customs Territory - For purposes of customs, "customs territory" means the islands and territorial waters which lie within the area north of 14° north latitude, south of 21° north latitude, west of 150° east longitude, and east of 144° east longitude.

(n) Director - The word director means the Director of the Department of Finance of the Commonwealth Government.

(o) Domestic Travel - The term "domestic travel" means any travel originating from within the Commonwealth and terminating in the Commonwealth, without transiting or traveling by way of any port outside of the Commonwealth.

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(p) Gross Vehicle Weight - The term "gross vehicle weight" means the value specified by the manufacturer as the loaded weight of a single vehicle.

(q) International Travel - The term "international travel" means any travel originating from within the Commonwealth and terminating at any port outside the Commonwealth, or terminating at a port in the Commonwealth by transiting or traveling by way of any port outside the Commonwealth, or any travel originating from outside of the Commonwealth and terminating at any port in the Commonwealth.

(r) Manifest - The term "manifest" means a summary list of passengers or cargo on board a carrier, unless the context requires otherwise.

(s) Manufacture - For the purpose of these regulations, the term "manufacture" shall mean the art of making raw material into a product suitable for use, sale, lease, or rental, and includes the technique and methods of converting finished merchandise into another product for use, sale, lease, or rental.

(t) Merchandise - The word "merchandise" means goods, wares and chattels of every description and includes merchandise the importation of which is prohibited or restricted.

(u) Normal Working Hours/Days - The term "normal working hours" or "normal working days" means those established hours or days scheduled by the Chief, up to maximum of eight (8) hours per day and forty (40) hours per week.

(v) NVOCC -Whenever this abbreviation is used in these regulations, it means Non-Vessel Operating Common Carrier.

(w) Official Customs Port of Entry - All vessels and aircraft on international travel and authorized entry into the Customs Territory of the Commonwealth must enter and obtain customs clearance from any of the following official customs ports of entry:

<u>Island</u>	<u>Official Customs Port of Entry</u>
Saipan	Tanapag Harbor (Charlie Dock) and Isley Field (Saipan International Airport), Sugar Dock, Baker Dock, Smiling Cove and Garapan Fishing Complex.
Rota	Harbor (West Dock) and Rota International Airport.
Tinian	Harbor and West Tinian Airport.

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A vessel or aircraft in distress may anchor or land at any port in the Commonwealth but shall immediately notify the nearest Customs Service office for immediate customs clearance.

(x) Person - The word "person" means any individual, firm, corporation, association, or partnership.

(y) Prescription Drug - A controlled substance, as identified at schedules I through V of 6 CMC Div. §§2113 through 2122, that is obtained directly from, or pursuant to a valid prescription or order of a practitioner while acting in the course of his or her professional practice.

(x) Public Utility - The term "public utility" means any business organization that owns, controls, operates, or manages a business supplying or furnishing the public with commodities, equipment, or services such as telephone, telegraph, electricity, airlines, and shipping lines.

(aa) Raw Material - An article or merchandise that is changed in form or substance or combined with other article(s) in a manufacturing process to become a part of a finished product or to form a new product which is produced in a factory.

(bb) Service - Whenever the word "Service" is used in these regulations, unless the context otherwise requires, it shall mean the Customs Service Division of the Commonwealth.

(cc) Vessel - The word "vessel" includes every description of craft or other contrivance used, or capable of being used as a means of transportation on the water.

(dd) Working Days - The term "working days" includes holiday work, paid annual and sick leave, and administrative leave.

**Section 1300.7. Government Sale.**

All articles, wares, or merchandise imported by a government agency for use by the government and later sold to a private individual, firm, or organization, are required to be assessed excise tax as provided for in Chapter IV of Public Law 3-11 and must be paid by the purchaser. The excise tax shall be assessed on the selling price of the article, ware, or merchandise. For purposes of this section, selling price excludes overhead charge or other administrative charges imposed by the government agency.

**Section 1300.8. Production of Records of Taxpayers Pursuant to CNMI Tax Laws.**

For the purposes of ascertaining the correctness of any declaration, determining the liability of any person in respect of

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any tax or fee, or collection of any such liability, the Director or his delegate is authorized to:

(a) Examine or request any books, papers, records, substantiating documents, and other data with or without the taxpayer's consent from any person which may be relevant or materials to such inquiry. The required records shall be made available not later than ten (10) days beginning with the date when the request is received;

(b) Summon the person liable for the tax or fee, or the person required to perform the act, or any officer or employee of such person or any person having possession, custody, or care of books of account containing entries relating to the business of the person liable for the tax or the fee, or the person required to perform the act, or any other person the Director or his designee may deem proper to appear before the Director or his delegate at the time and place named in the summons and to produce such books, papers, records, substantiating documents, and other data, and to give such testimony, under oath, as may be relevant or material to such inquiry; and

(c) Take such testimony of the person concerned under oath, as may be relevant or material to such inquiry.

(d) All invoices accompanying merchandise subject to the provisions of 4 CMC §§1400 through 1424 shall be written in English and prepared prior to arrival in the CNMI and presentation to custom officials.

**Section 1300.9. Record Maintenance.**

All books and records of all business transactions necessary to determine fees and taxes imposed by the Commonwealth Government are to be maintained within the Commonwealth at the central office of the business operation and shall be made available for examination not later than ten (10) days beginning with the date when the request is received. A full and accurate record of all business transactions necessary to determine taxes and fees must be maintained for a minimum of three (3) years after the date of such transaction.

**Section 1300.10. Time for Performance of Acts Where Last Day Falls on Saturday, Sunday, or Legal Holiday.**

When the last day prescribed under authority of Public Law No. 3-11, as amended, for performing any act falls on Saturday, Sunday, a legal holiday, or days authorized by the Governor for government offices to be closed, the performance of such act shall be considered timely if it is performed on the next succeeding day which is not a Saturday, Sunday, a legal holiday, or a day authorized by the Governor for government offices to be closed.



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For purposes of this section, the last day for the performance of any act shall be determined by including any authorized extension of time. The term "legal holiday" means a legal holiday in the Commonwealth.

**PART II - EXCISE TAXES**

**Section 1301.1. First Sale or Use.**

All individuals importing alcohol and tobacco for sale or use shall be assessed and shall pay the Alcohol and Tobacco Excise Taxes.

**Section 1301.2. Exemption.**

(1) The exemption on cigarettes imported for personal use and consumption shall not apply to individuals under the age of eighteen (18) years [MIDC §10.04.060; Minor §10.04.040].

(2) The exemption on wine and sake and alcoholic beverages imported for personal use and consumption shall not apply to individuals under the age of twenty-one (21) years [MIDC §11.12.090(A)].

**Section 1301.3. Wine and Sake for Religious Use.**

Wine and sake imported into the Commonwealth for use in a religious rite by a religious organization are not subject to the Alcohol and Tobacco Excise taxes. The same treatment is accorded to wine and sake purchased in the Commonwealth or received by a religious organization for use in a religious rite. Wine and sake imported, purchased, or received by a religious organization for purposes other than a religious rite are not exempted from the Alcohol and Tobacco Excise Taxes.

**Section 1301.4. Refunds.**

Businesses selling wine and sake to a religious organization for use in religious rites may be reimbursed the excise tax paid on such wine and sake, provided that a request for refund is filed with the Division of Customs Service within one (1) year after the sale. The request for refund must be made on the form prescribed by the Director.

**Section 1301.5. General Excise Tax.**

All merchandise imported into the Commonwealth must be taxed pursuant to Chapter IV of Public Law 3-11. The tax shall be imposed on merchandise brought in by:

(a) returning residents and individuals who are required to reside in the Commonwealth in order to perform services to satisfy contractual or employment obligations, regardless of the intended length of stay in the Commonwealth;

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(b) individuals and businesses for sale, manufacture, lease, or rent, and includes commodities brought in for business use.

**Section 1301.6. Exemption from the General Excise Tax.**

The provisions of Section 402 of Public Law 3-11 shall not apply to the following:

(a) Commodities imported by visitors into the Commonwealth if such commodities are for the visitors' personal use and consumption and in a reasonable quantity.

(b) Merchandise or other commodities brought in by a filming company where its sole purpose is to film commercials, video, or other movies in the Commonwealth for a brief period of time.

(c) Educational material and supplies brought in by an instructor from an educational institution for curriculum development and instructional use in public schools in the Commonwealth.

(d) Equipment, device, and other gear brought in by returning residents, intended residents, and visitors to be used by handicapped individuals who are either residing or visiting the Commonwealth. Equipment, device, and other gear authorized under this subsection are as follows:

- (i) Wheelchairs
- (ii) Hearing Aids
- (iii) Braille material
- (iv) Canes
- (v) Walkers
- (vi) Prosthetic devices
- (vii) Braces
- (viii) Crutches
- (ix) Prescription lenses and eye glasses

The exemption shall not apply to merchandise, equipment, devices, and other gear brought in for sale, lease, or rent to the handicapped.

(e) Gifts brought in by returning residents, visitors and other individuals; provided, the value of the gift does not exceed fifty U.S. dollars (US\$50) per passenger. The tax shall be determined in one of the following methods:

(i) Using the value of the item shown on the vendor's sales invoice. The invoice or receipt must bear the printed name of the vendor.

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(ii) Using the fair retail value in the Commonwealth for the items brought in.

(f) Household goods imported by intended residents, individuals who are required to reside in the Commonwealth (regardless of the intended length of stay), and returning residents after they have established residence outside the Commonwealth for at least two (2) years from the time they left the Commonwealth until they return. For the purpose of this subsection, household goods do not include personal effects.

(g) Chalice, habits, cassocks, vestments, and other items to be used by a religious order.

(h) Tools of repairman brought in to repair or maintain equipment sold, leased, or rented to consumers in the Commonwealth.

(i) Engines, parts, and other navigational tools and equipment brought in by an airline or shipping line to repair or maintain a vessel or aircraft.

(j) Rented or leased motion picture films and video tapes brought in by a commercial movie or television company for telecasting or public viewing in a theater. This exemption shall not apply to motion picture films and video tapes which are brought in for sale, lease or rental.

(k) Educational materials shall not include equipment and furniture such as video cassette recorder/player, audio cassette recorder/player, overhead projector, phonograph, movie projector, slide projector, and other instructional audio, video, and visual aids; chairs, desks, and other furniture.

Part III - CUSTOMS PROCEDURES

Section 1302.1. Damage or Nonreceipt.

Any merchandise subject to tax which is not received by the importer or received in damaged condition may be exempted from taxation upon presentation of a certificate of damage or nonreceipt from the carrier or his agent. The carrier or his agent shall either deny the claim or furnish the certificate of damage or nonreceipt within seven (7) days after such damage or nonreceipt is reported by the importer. Terminal operators or the carrier of the imported merchandise shall not be required to open shipments for damage inspection. Importers may apply for a refund of taxes paid to the extent of losses incurred on damaged merchandise, nonreceipt, or manufacture defect where such damage was concealed. However, the damage shall be inspected by the customs agent, who, depending on his or her findings may recommend a tax refund. No tax refund shall be authorized for damage resulting from improper handling, inadequate or improper storage facility, prolonged storage, or other causes due to the importer's failure to provide such security, proper handling, and storage. No tax refund shall be allowed for any merchandise or commodity wherein the date set by the manufacturer as to date for sale or use has expired or been exceeded. Furthermore, no tax refund shall be authorized for any merchandise or commodity which was not used, sold, or distributed due to obsolescence.

Section 1302.2. Payment of Taxes - Release of Goods.

Taxes assessed and levied on all imported products covered in 4 CMC Division 1, Chapter IV shall be paid within thirty (30) calendar days the date in which such imported products or commodities were entered. The imported commodities may be released prior to the payment of the tax; provided, that an entry is made by the consignee, and the consignee has no taxes, fees, or charges due and owing the Commonwealth.

Section 1302.3. Entry and Declaration of Imports Arriving By Freight.

(a) Entry of Imports - Requirement and Time. Except as otherwise provided, the consignee of imported merchandise shall make entry therefor either in person or by an agent authorized by him at the Division of Customs Service within seven (7) calendar days after the entry of the importing carrier.

(b) Entry Documents.

(1) Entry shall be made upon presentation to a customs agent of a nonnegotiable copy of the bill of lading or non-

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vessel operating common carrier's freight bill or bill of lading, and vendor's invoices covering all merchandise arriving on one carrier and consigned to a consignee. If proper documents are not available within seven (7) calendar days after the arrival of the merchandise, the estimated tax shall be paid using the fair retail value in the Commonwealth for such commodities subject to adjustment when the documents arrive. However, no release shall be authorized if the consignee has a prior unpaid tax, fee, or charge.

(2) In addition to the nonnegotiable copy of the bill of lading or non-vessel operating common carrier's freight bill or bill of lading, and vendor's invoices, each importer or consignee shall sign an **Entry Certificate** stating under penalty of perjury that the vendor's invoices are true and correct and that no alterations or changes have been made thereto. The **Entry Certificate** shall be obtained from a customs agent and signed at the time of entry.

**Section 1302.4. Arrivals.**

(a) Master's Responsibility - Arrival.

(1) Immediately upon arrival, the master of a vessel or aircraft shall deliver to the customs agent one (1) copy of the passenger and cargo manifests, bills of lading or NVOCC's freight bills or bills of lading and general declaration, and also deliver a true and correct copy of any correction of such manifests, bills of lading or NVOCC's freight bills or bills of lading, and general declaration filed on entry of his vessel or aircraft. If the master is aware of any error in the manifests or bills of lading or NVOCC's freight bills or bills of lading or general declaration and did not make correction, he shall be guilty of perjury and shall also be subject to the penalty of Subsection (e) of this section. The master and his vessel or aircraft, passengers and cargo aboard such vessel or aircraft may be denied customs clearance if these documents are not presented to the Service upon arrival. Clearance may be granted provided the penalty of Subsection (e) of this section is agreed upon by the master of the vessel or aircraft. The penalty is subject to collection when the actual assessment is made by the Service. Advance copies of manifests and bills of lading may be submitted to the Service; however the official manifests and bills of lading shall be presented at the time of arrival. The Service will accept manifests and bills of lading only at the time of arrival of the carrier.

(2) Vessels arriving in the Commonwealth from more than one (1) port of departure shall deliver to the Service, immediately upon arrival, separate passenger and cargo manifests for all passengers and cargo boarded at each port of departure, regardless of whether passengers or cargo were boarded at any one particular port in the travel itinerary of the carrier.

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(3) Passengers and cargo transiting on the same flight or voyage arriving in the Commonwealth must be clearly identified on the manifest by indicating in parenthesis the point of final destination immediately after the passenger's name or the consignee of the cargo.

(4) Passengers on a flight or a voyage which terminates in the Commonwealth and are discharged in the Commonwealth for the purposes of immediate connection on another flight or voyage for points outside of the Commonwealth shall be reported to the Customs Service, immediately upon arrival of the carrier, in one of the following methods:

(i) File a separate manifest for each port of final destination of such passengers; or

(ii) Identify on the manifest such passengers by enclosing in parenthesis the point of final destination and the connecting flight or voyage number immediately after the names of the passengers.

(5) The Director of Finance, by authority of Section 8, Chapter II, Title I of Public Law 1-8, imposes a five hundred U.S. dollar (US\$500) penalty for each and every violation of Subsections (a), (b), (c), and (d) of this section or one hundred U.S. dollars (US\$100) per hour or a fraction of an hour for each and every violation, whichever is greater, from the time of arrival until the appropriate documents are presented to the Service.

(6) All cargo, including ship's stores and operator's pouch mail or cargo, or U.S. Mail, carried on the vessel or aircraft entering the Commonwealth must be included in the manifests and related bills of lading. Willful failure to so include such cargo or mail or the presentation of a willfully falsified manifest shall be deemed to be a violation of these regulations and is subject to the penalty provisions of Subsection (e) of this section, and/or a penalty of fifty U.S. dollars (US\$50) for each line item not so included in the manifest.

(7) All passengers and crew members' baggage must be transported directly from the carrier to the arrival area at the port. All other cargo not part of the any passengers' or crew members' baggage must be transported directly from the carrier to the warehouse or place designated as the cargo storage area of the carrier.

(8) Upon arrival at the airport, all passenger exit doors, cargo compartment doors, and galley service doors of the aircraft shall remain closed. At the request of the Service, only one passenger exit door may be opened for the purpose of clearing

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the flight. All other doors may be opened for disembarkation of passengers and cargo only at the approval of the Service.

(9) Upon arrival at the pier, no passenger or crew members may disembark, nor may cargo be unloaded until approval to do so is granted by the Service.

(b) Sealing of Stores. Upon the arrival of a vessel from a port outside of the Commonwealth, or a vessel engaged in the foreign trade from a port within the Commonwealth, sea stores and ship's stores not required for immediate use or for the delivery of goods to be consumed on board while the vessel is in port and articles acquired abroad by officers and members of the crew for which no permit to land has been issued, shall be placed under seal, unless the customs agent is of the opinion that the circumstances do not require such action. Customs agents in charge of the vessel, from time to time, as in their judgment and necessity requires, may issue stores from under seal for consumption on board the vessel by its passengers and crew.

(c) Boarding of vessels and Aircraft. The customs agent may board and examine any vessel or aircraft arriving in the Commonwealth when it is necessary to carry out the provisions of applicable laws of the Commonwealth, or any rule or regulation promulgated thereunder and require the master or captain thereof to exhibit for examination by the customs agent the manifest or any documents or papers, or any trunk, package or cargo on board, or any compartment, storage area, cabin, galley, cockpit, lavatory, or any section of the vessel or aircraft. The master or captain of the carrier shall ensure the safety of the customs employees from the time of boarding the vessel or aircraft until such employees disembark.

**Section 1302.5. Departure.**

(a) Master's Responsibility - Departure

(1) Prior to departure, the master of a vessel or aircraft shall deliver to the customs agent the following documents:

(i) One (1) copy of the general declaration for the port of destination.

(ii) One (1) copy of passenger and cargo manifests for the port of destination. If the flight or voyage has intermediate stops before reaching its final destination, one copy of the passenger and cargo manifests for each intermediate port.

(2) All vessels and aircraft destined for ports outside of the Commonwealth must obtain an **Official Customs Clearance Certificate** prior to departure. A **Customs Clearance**



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**Certificate** must be requested at least twelve (12) hours prior to expected departure.

(3) The requirements of Subsections (a) and (b) of this section shall not apply to private aircraft and pleasure vessels.

(4) Vessels and aircraft not complying with this section may be denied future customs clearance upon arrival in the Commonwealth and may be subject to either one of the following penalties:

(i) The vessel or aircraft and all passengers, crew members and cargo on board may be returned to the point of origin or other port outside of the Commonwealth, or

(ii) The master, owner or operator of the vessel or aircraft may pay a fine of one thousand U.S. dollars (US\$1,000) per violation.

(5) Strictly domestic flights or voyages may be exempted from the requirement of this section.

**Section 1302.6. Restrictions.**

(a) No excise tax rebate will be authorized for material purchased locally which were either manufactured in the Commonwealth or imported by another importer, wholesaler, retailer, or through another person.

(b) No excise tax rebate will be authorized for material imported by a government agency and later used in a construction project. Irrespective of how the material was disposed of by the government agency, the determination of this subsection will not change. Material imported by a government agency where the excise tax was not paid, shall be paid by the person who later obtained or purchased such material from the agency.

**Section 1302.7. Destination and Disembarkation.**

(a) Terminating Passengers and Crew Members.

Upon arrival at the destination and upon approval to disembark, all passengers and terminating crew members must proceed directly from the carrier to the arrival area at the terminal, by way of passage designated for use by arriving passengers and crew members to gain access to the immigration and the customs inspection area.

(b) Transit Passengers and Crew Members.

All passengers and crew members transiting in the Commonwealth to points outside of the Commonwealth are permitted to:

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(1) Disembark and proceed directly to the designated area at the terminal area for embarking passengers for reboarding, or

(2) Disembark and proceed with terminating passengers to the customs inspection area and go through customs formalities which authorize them access to other facilities at the port, or

(3) Remain on board.

(c) Transfer of Passengers' and Crew Members' Baggage and Hand Carried Articles.

Passengers' and crew members' baggage and hand carried articles on international travel arriving in the Commonwealth and requiring immediate connection aboard another carrier to points outside of the Commonwealth may be waived customs inspections provided such baggage and hand carried articles are transferred to the connecting aircraft or vessel by the owner, agent, or operator of the carrier that brought such passengers' and crew members' baggage and under the supervision of the Customs Service.

(d) Northern Islands Destination. Carriers, crew members, passengers, baggage and cargo on international travel, as defined in these regulations, destined for any islands north of Saipan are required to go through customs formalities at the authorized and designated ports of entry, before continuing on the journey. After customs clearance in Saipan, the flight or voyage is classified domestic travel.

(e) International Travelers Boarding Domestic Flight or Voyage. All passengers and crew members, including their baggage and hand-carried parcels, in international travel, aboard a carrier destined to another point in the Commonwealth with a stopover in Saipan, Rota, or Tinian are required to undergo customs inspection and clearance immediately upon arrival at the first port of entry in the Commonwealth in order to board any carrier cruising or flying a domestic itinerary. The first port of entry arrived at in the Commonwealth by passengers and crew members is considered the port of destination for such passengers and crew members.

**Section 1302.8. Customs Entry and Declaration.**

(a) All passengers and crew members regardless of citizenship must make a customs entry and declaration upon arrival in the Commonwealth. All articles or merchandise acquired abroad and their value (price actually paid for or, if not purchased, fair retail value in the Commonwealth) must be declared in writing. Written declarations must be signed and presented to the customs agent on duty before examination pursuant to the inspection

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requirements of Sections 1302.16 through 1302.21 All information furnished by the passengers, whether orally or in writing, shall be testimonies provided under oath. Any person, who knowingly shall swear to or verify under oath any false or fraudulent statement with the intent to evade any tax imposed by Public Law 3-11 and/or with the intent to evade these and any other regulations and procedures governing the inspection and clearance of passenger, baggage, or cargo, shall be guilty of a felony, punishable by a fine of not more than ten thousand U.S. dollars (US\$10,000) or imprisonment for not more than two (2) years, or both.

(b) Terminating crew members who will be in the Commonwealth for the purpose of boarding a subsequent flight or voyage departing the Commonwealth within two (2) hours after their arrival are not required to file a **Customs Entry and Declaration**, Form CS-1350, if the crew members do not have in their possession at the time of arrival dutiable goods, contraband, or agricultural commodities.

(c) A single customs entry and declaration may be filed with the customs officer upon arrival for immediate family members if traveling together. For purposes of this section, immediate family members are limited only to husband, wife, sons and daughters. Parents, brothers, sisters, grandparents, grandchildren, nephew, nieces, uncles, aunts, married daughters, married sons, and all other persons must make separate customs entry and declaration.

(d) Children under age of 12 traveling with friends or relatives may be claimed as immediate family members of the relatives or friends. The full name of the children must be written on the customs entry and declaration.

(e) Unaccompanied children under the age of 12 are required to make a customs entry and declaration. An agent of the carrier shall render necessary assistance to minor children in making customs entry and declaration.

(f) Individuals unable to read or write are required to seek the assistance of an agent of the carrier in making customs entry and declaration. Individuals unable to write may sign the prescribed customs entry and declaration form with an "X" mark, witnessed by a customs agent.

(g) Passengers boarding international flights or voyages from Tinian or Rota destined for Saipan or vice versa, do not require a customs entry or declaration. Such passengers would be required to obtain customs departure clearance at the point of embarkation.

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(h) No passenger or crew member required by this section to make customs entry and declaration may be cleared by a customs agent without completing the required form.

(i) All passengers and crew members on international travel boarding domestic carriers for continuation of their travel to other points in the Commonwealth must make customs entry and declaration at the first port of entry in the Commonwealth.

(j) To facilitate inspection, the prescribed form for making customs entry and declaration may be printed in foreign languages in addition to English. However, all prescribed customs entry and declaration forms in foreign languages must be completed by the passengers and crew members in Roman characters only.

(k) Transit passengers and crew members are prohibited access to areas at the port other than those designated for transit passengers and crew members. Transit passengers and crew members are strictly prohibited from leaving the airport or wharf compound for any length of time prior to their departure from the Commonwealth without going through customs formalities.

**Section 1302.9. Customs Entry and Declaration to be Supplied by Carriers.**

(a) The **Customs Entry and Declaration Form**, A form designed by the Division of Customs Service and approved by the Director shall be furnished to all carriers. The carriers shall print the forms, following the format and specifications established by the Division of Customs Service, and furnish them to their passengers for use upon arrival in the Commonwealth.

(b) It shall be the responsibility of the carriers to publish and maintain an adequate supply of the **Customs Entry and Declaration Form**, without any cost to the passengers or the Commonwealth Government of the Commonwealth.

(c) The logo and other notations of the carrier may be printed on the form provided that such logo and notations comply with the specification of the Division of Customs.

**Section 1302.10. Arrival of Cargo by Freight.**

(a) Cargo shall be retained at the place of unloading until permission is given by a customs agent for its release. Any cargo not released shall remain in the physical possession of the terminal operator or the operator of the carrier at the expense of the consignee but under technical customs custody until entry is made and the tax paid, or otherwise directed by customs. The appropriate action taken shall be indicated either on the container of the merchandise or on the bill of lading, or NVOCC's freight bill or bill of lading.

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<b>HOLD</b>		<b>PASS</b>
ORDER OF CUSTOMS		
_____	_____	_____
Agent	Badge No.	Date

(b) If cargo is to be released to the consignee, the inspector shall circle the words "PASS" and put his initials, badge number, and the date. If the cargo is to be retained, the word "HOLD" shall be circled and the initials and the badge number of the agent and the date will be indicated.

(c) A partial release of cargo may be authorized by a customs officer making the following notation on the bill of lading or NVOCC's freight bill and by initialing each line item to be released. Items not initialed shall not be released.

"The merchandise identified by my initials on each line of this bill of lading may be released to the consignee."

\_\_\_\_\_

Date

\_\_\_\_\_

Customs Agent

(d) Inspections, clearance, and other services provided by the Division of Custom Services may be made without any charge to the consignee, agent, postal services, or operator of the carrier from 0730 hour to 1630 hour, Monday to Friday, except holidays, or any other time frame set by the Division of Customs.

(e) For assessment and payment of taxes and inspection and release of merchandise on Saturdays, Sundays, or holidays, individuals requiring such service must be assessed a Customs Service Charge pursuant to the provisions of Section 1302.33(e) of these regulations.

**Section 1302.11. Release of Perishable Merchandise.**

(a) The customs agent is authorized to permit the release and delivery, prior to formal entry thereof, of perishable articles, and other merchandise, the immediate delivery of which is considered necessary, such as where adequate holding or storage facilities are not available. Such merchandise shall remain under technical customs custody and no disposition of such merchandise by the consignee is authorized until a formal entry is made, and the tax paid, if required, or a promissory note is executed.

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Promissory notes shall not be made longer than a period of ten (10) calendar days from the date the tax is assessed and shall be subject to the administrative provisions (Chapter VIII) of Public Law 3-11 if not paid at maturity.

(b) The requirement of a promissory note in this section may be waived if the importer chooses to make a permanent deposit to guarantee payment of taxes due from dutiable items.

**Section 1302.12. Nonpayment of Excise Taxes When Due.**

In addition to the penalty and interest provisions of Public Law 3-11, consignees owing the Commonwealth excise taxes which are not paid within thirty (30) calendar days after the entry of the goods, commodities, or merchandise, shall be denied clearance and release on future imports of goods, commodities, or merchandise. The Customs Service shall require the consignee to pay the excise tax on imported goods, commodities, or merchandise prior to the release of such goods, commodities, or merchandise.

**Section 1302.13. Samples.** Items of any kind imported temporarily and solely for the purpose of display or demonstration and not for the purpose of sale. Any items temporarily imported under this section, in order to be free of tax, must be entered pursuant to and following a written application filed with the Director of Finance. The application filed with the Director should specify at the minimum, the following:

- a. the type and amount of goods to be temporarily imported.
- b. the reason(s) for the temporary importation.
- c. the expected date and method (air, sea, hand carry, etc.) of importation and the expected date and method of re-exportation of the items.
- d. the name and address of the importer as well as that of the local contact person or firm(s).
- e. the value of the goods and the location(s) of the display or demonstration sites for the items.

The Director of Finance will review any such written application for temporary importation for the purpose of display or demonstration and will issue, if he finds it appropriate, a written permit for such temporary importation, which shall be free of tax. The Director of Finance may place restrictions on any temporary importation free of tax under this section, including a reasonable fee for Customs inspection and supervision of the items. In addition, he may require the posting of a bond to ensure the departure of the goods, impose appropriate security requirements, impose requirements for periodic Customs inspection of the items at

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the site(s) of display or demonstration, and any other reasonable restrictions to ensure that all relevant items are in fact used only for temporary display or demonstration and are reexported from the Commonwealth at the close of the display or demonstration period. A copy of any written permit issued by the Director of Finance under this section shall be filed with the Customs Service upon the entry of the items into the Commonwealth in order to exempt such items from tax. As a general rule, applications under this subsection will not be approved from persons or firms already licensed to do business in the Commonwealth. The primary use of this subsection is intended for trade shows, conventions, and regional sales meeting, and the like, held in the Commonwealth.

**Section 1302.14. Postal Inspection.**

(a) Pursuant to applicable U.S. Postal Service Regulations and/or memorandum and agreement between U.S. Postal Service and the Commonwealth, mail and parcels arriving at the post office may be inspected by the Customs Service in order to detect goods, merchandise, or other commodities and assess the excise taxes; and to detect and intercept contraband; and to enforce other laws and regulations enforced at the ports of entry.

(b) Addressees of domestic mail, other than fourth class mail, shall open their mail and parcels for inspection at the request of a customs agent. Mail and parcels not opened for inspection at the request of a customs agent shall be returned to the sender.

(c) Mail and parcels requiring customs inspection shall not be released to the addressee until such inspection is performed.

(d) International mail may be opened and inspected by Customs without the consent and presence of the addressee.

(e) For purposes of this section, international mail means all mail coming into the Commonwealth which originates from areas outside the United States mainland, Alaska, Puerto Rico, Guam, the Virgin Islands and American Samoa.

**Section 1302.15. Release of Merchandise Without Customs Clearance.**

No carrier, agent, or terminal operator shall release or turn over to a consignee any merchandise or parcel without the prior approval of customs. In the event a release was made by the carrier, agent, or terminal operator without prior clearance of customs and the tax on the merchandise released cannot be paid by the consignee, the tax liability plus the penalty and interest imposed by Public Law 3-11, Sections 815 and 817 shall become the liability of the carrier, agent, or terminal operator and shall continue to

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accumulate such penalty and interest until the tax liability is paid in full. The Service shall notify the carrier, agent, or terminal operator of the consignee's inability to pay and the determination of the Service to transfer such liability from the consignee to the carrier, agent, or terminal operator.

**Section 1302.16. Inspection of Baggage.**

The customs agent may inspect without warrant the baggage and hand carried parcels of person arriving in the Commonwealth in order to ascertain what articles are contained therein and whether the articles are taxable, prohibited, or restricted.

**Section 1302.17. Inspection of Cargo.**

The customs agent may inspect without warrant any cargo, package, receptacle, aircraft and vessel arriving in the Commonwealth, and may seize prohibited or restricted articles or merchandise including narcotics and other items of contraband.

**Section 1302.18. Inspection of Passenger.**

The customs agent may inspect without warrant any person arriving in the Commonwealth to determine whether such person is violating the Controlled Substances Act, the Weapons Control Act, the Anti-drug Abuse Act of 1991 and/or other laws and regulations enforced at the ports of entry. A strip search may be performed if there is real suspicion that the passenger is concealing evidence of a crime or contraband upon his person. A customs agent may perform a body cavity search (intrude into the body cavity) if there is a clear indication that there is contraband concealed within the body of the individual.

**Section 1302.19. Persons Requiring Inspection.**

All individuals as well as their baggage and hand carried articles in international travel regardless of their point of embarkation, shall be inspected by the Service prior to leaving or being taken away from the port of entry.

**Section 1302.20. Departing or Prospective Passengers and Crew Members.**

(a) Any person who voluntarily enters a security area at the airport or wharf is subject to customs inspection as provided for in Sections 1302.16, 1302.17, 1302.18, 1302.19 regardless of the purpose of the entry into the security area.

(b) Prospective passengers who enter a security area at the airport or wharf and later decide not to leave are required to go through customs inspection and clearance in the same manner as an arriving passenger on international travel.



**Section 1302.21. Passengers and Crew Members with Baggage.**

All passengers and crew members who have baggage and/or hand carried parcels must go through customs inspections with all their baggage and hand carried parcels. Passengers clearing customs and leaving the inspection area without their belongings shall be authorized to make a declaration and obtain customs inspection and clearance only after the processing of international passengers.

**Section 1302.22. Oaths.**

The customs supervisor and all other authorized customs agents are empowered to administer any oaths required or authorized by these regulations in respect of any matter coming before such officers in the performance of their official duties. No compensation or fee shall be demanded or accepted for administering any oaths under the provisions of this section.

**Section 1302.23. Individuals Waived Inspection.**

An inspection of individuals in domestic travel, as defined, may be waived. However, the Service may, at any time, require inspection of any and all individuals in any domestic travel when such inspection is deemed necessary. An inspection of Diplomats of any foreign country, on official travel, with a valid and proper U.S. visa for entering the Commonwealth, may be waived.

**Section 1302.24. Domestic Travellers - Required Inspection.**

All individuals on domestic travel, as defined, who enter or pass through a customs jurisdiction at the ports during the process of clearing international travellers, are required to go through all customs formalities except the requirements of filing a customs entry and declaration.

**Section 1302.25 Penalty**

The master of a carrier, other crew members, operator of the carrier or its agent, and all individuals who willfully aid any other individuals to conceal any item brought on board with the intention to violate any of the provisions of Public Law 3-11, and the laws of the Commonwealth or the United States of America, may be punished by a fine and/or imprisonment equal to the maximum penalty provided by the law which the individual(s) intended to violate.

**Section 1302.26. Unclaimed Baggage.**

Passenger or crew member's baggage not claimed at the customs inspection area shall be retained by the carrier and secured in a safe place within the inspection area at the port. Unclaimed baggage which is required to be stored in another location due to

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inadequate storage facilities within the inspection area at the port may be transferred by an authorized representative of the carrier liable for the security of the unclaimed baggage; PROVIDED, HOWEVER, the representative of the carrier obtains the approval of the Customs Service and the shipper accepts the condition that spoilage and/or damage to the cargo is the liability of the shipper. Cargo released to the carrier or terminal operator for storage and/or security shall not be opened by the carrier or terminal operator. The Customs Service shall have the right to take into custody any part of or all unclaimed baggage when such officer has probable cause to believe that the baggage contains dutiable, prohibited, or restricted merchandise. The Customs Service may open and inspect such baggage in the presence of a representative of the carrier, even if the passenger or crew member is not present.

**Section 1302.27. High Risk Area.**

(a) The Chief shall have the authority to classify any place or port in any country or territory as a "high risk" area in order to ensure effective enforcement of Public Law 3-11, the Controlled Substance Act, the Weapons Control Act, the Anti-Drug Enforcement Act of 1991, and other laws and regulations enforced at the ports of entry.

(b) Passengers and crew members, including their baggage and hand carried parcels, and all cargo from areas classified "high risk" shall undergo thorough inspections and examinations whenever appropriate.

(c) All cargo from high risk areas shall be inspected and cleared only in the presence of the consignee or his authorized agent.

(d) Perishable commodities from high risk areas may be imported into the Commonwealth if the consignee of such commodities agrees to make entry and claim the cargo immediately upon arrival in the Commonwealth. Perishable commodities from high risk areas which are not claimed immediately upon arrival in the Commonwealth shall not be inspected and/or released until they are claimed. The carrier, its authorized agent, terminal operator, and the Service shall not be liable for spoilage or damage to perishable merchandise resulting from the consignee's failure to make entry and claim the cargo immediately upon arrival.

**Section 1302.28. Confiscation of Merchandise.**

Prohibited or restricted merchandise imported into the Commonwealth and found during inspection shall be confiscated by the Service and turned over to an appropriate Commonwealth Government agency within a reasonable time for proper disposition. Merchandise on which the tax is not collected shall also be confiscated.

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Merchandise confiscated by the Service due to nonpayment of tax must be claimed and the tax paid by the owner or consignee within ten (10) days from the date the merchandise was confiscated.

**Section 1302.29. Unclaimed Merchandise.**

Merchandise confiscated by the Service due to nonpayment of the tax due may be sold at auction if no claim was made pursuant to Section 1302.28, provided, however, that:

(a) The Service notified the owner or consignee in writing that the provisions of Section 1302.28 for making a claim expired and the owner or consignee was given an additional ten (10) days to claim the merchandise and pay the tax due plus related penalty and interest;

(b) If the merchandise was not claimed and the tax liability not paid at the end of the period allowed in Subsection (a) of this section, the Service shall send a final written notice to the owner or consignee of the merchandise advising that the merchandise will be sold at auction if not claimed in ten (10) days commencing from the date of the final written notice;

(c) After the expiration of the final notice, if the merchandise is still unclaimed and the tax liability unpaid, the owner or consignee shall not be allowed to claim the merchandise once the merchandise has been processed and advertised for auction.

**Section 1302.30. Auction.**

The Service shall advertise to the public in any local newspaper for three (3) consecutive weeks, that merchandise on which excise taxes remain unpaid will be sold at auction. Proceeds from the sale shall be used as follows:

(a) To pay the tax liability.

(b) To pay applicable penalty and interest charges imposed by Public Law 3-11 and these regulations.

(c) To reimburse the Service for advertising, storage and other related expenses.

(d) To pay part, or all of any other outstanding tax liabilities, fees, penalties, or interest.

(e) To pay the owner or consignee any amount left which is over five dollars (\$5.00). Amounts of five dollars (\$5.00) or less may be paid to the owner or consignee provided the owner or consignee requests payment.

**Section 1302.31. Payments.**

All taxes, fees, and charges, except where other provisions of these regulations govern, shall immediately become due and must be paid in cash, or by U.S. Postal Money Order, or check drawn at a bank in the Commonwealth, or a bank in any of the states in the United States of America. Any check returned by the bank due to insufficient funds must be replaced by either cash, U.S. Postal Money Order, or certified check. Any tax, fee, or charge paid by a check and returned by the bank due to insufficient funds is construed to have not been paid when due and the owner or consignee shall be assessed penalties and interest, in addition to all charges arising as a result of the check being returned, including those charged authorized pursuant to 7 CMC §2442, and bank services charges for returned checks. The Division of Customs shall have the right to reject any or all personal checks and demand payment in the form of cash, U.S. Postal Money Order, or certified checks.

**Section 1302.32. Spectators.**

Only individuals directly associated with the enforcement of the laws of the Commonwealth, applicable laws of the Federal Government, which are administered at the ports of entry in the Commonwealth, individuals who provide maintenance and service of a carrier, and arriving passengers or arriving crew members shall be permitted entry into any area between the carrier and the customs inspection area including all ramps, aprons, gangplanks, escalators, elevators, stairways, walkways, and all passageways and lavatories accessible and used by arriving passengers and crew members; and all areas accessible and used by the operator of a carrier for transporting cargo from the carrier to the operator's warehouse or storage facility. Unauthorized individuals found in any of these areas shall be deemed to be in violation of these regulations and shall be punished accordingly.

**Section 1302.33. Request Cancellation, Delay and Charges.**

(a) Request Requirement. All air and sea carriers and other persons whose operations require the service of customs agent of the Commonwealth are required to make a request for such service. The request must be made on a form prescribed by the Customs Service.

(1) Blanket Request. All carriers and other persons operating on a planned schedule must make a request to the Customs Service at least thirty (30) days before the effective date of their schedule of operation. A single request will be sufficient for the duration of one set of schedules. Any unforeseen changes in a set of schedules require a special request to the Service at least twenty-four (24) hours before the

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occurrence of such changes. If such change is to occur during weekends and holidays, the request must be made twenty-four (24) hours in advance of the last normal working day. All carriers and other individuals making a permanent change in their schedule are required to submit a new blanket request at least thirty (30) days before the effective date of the new schedule.

(2) **Special Request.** All carriers and other persons operating unscheduled flights or operating a charter, technical stop, or extra flight or voyage are required to make a special request at least twenty-four (24) hours in advance of the last normal working day before arrival. All sea carriers are required to submit a special request for customs clearance.

(b) **Failure to Make a Request.** When a carrier, its master, operator, owner, or authorized agent fails to make a request as required by Subsection (a), paragraph (2) of this section, upon arrival of such carrier, one or all of the following shall apply:

(1) During the normal working hours, the Service will arrange for clearance based on the availability of personnel and the number of blanket and special requests for the day. If customs service cannot be rendered during normal working hours, clearance will be furnished after regular working hours provided the carrier agrees and pays customs charges as provided for in Subsection (e) of this section prior to rendering such service.

(2) All vessels, including pleasure boats, on international travel arriving after regular working hours are prohibited to anchor at the pier until cleared by the Service. They must remain out in the harbor until the next regular working day except for emergencies as determined by the Customs Service. While anchored out in the harbor, crew members, and passengers are prohibited from disembarking. All baggage and Cargo are prohibited from unloading or removal from the vessel until cleared by the service.

(3) Air carriers arriving after normal working hours may be denied customs clearance unless adequate customs personnel are readily available and the carriers pay the necessary customs overtime charge. Passengers and crew members including their baggage and hand carried articles and all cargo on board are prohibited to disembark or to be unloaded until cleared by the Service.

(4) **Cancellation and/or Delay of Arrivals.** The operator of a carrier or its agent shall notify the Service of all the cancellations and/or delays of arrivals at least four (4) hours before the end of a normal working day concerning the initial schedule of the arrival being canceled or delayed. In the absence

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or delay of such notification, the charge to be imposed shall be in accordance with Subsection (e) of this section.

(d) Storage Charge.

(1) Unclaimed baggage not properly stored by the carrier liable for the security of the same may be taken into custody, and shall be released to the carrier only upon the carrier's payment to the Service of a storage charge of five dollars (\$5.00) per day or a fraction of a day, for each piece stored. Unclaimed baggage in the custody of the Service may be claimed by the carrier during regular working hours only, from 0730 hours to 1230 hours and from 1230 hours to 1630 hours, Monday through Friday. Passengers or crew members shall not be authorized to claim any unclaimed baggage in the custody of the Service. The Service shall not be liable for damages to the container or damages to and /or loss of the contents.

(2) Unclaimed baggage in the custody of the carrier may be released to the passenger or crew member only after inspection and clearance by the customs agent.

(3) Unclaimed baggage in the custody of the carrier, or the Service, which is not claimed within ten (10) days, shall be opened and inspected by a customs agent and released to the carrier for storage at another location, provided the storage charge in paragraph (1) of this subsection is paid.

(e) **Compensation for Services Rendered**

(1) All air and sea carriers and other persons whose operations require the service of a customs agent of the Commonwealth Government of the Northern Mariana Islands after normal working hours shall be charged for those services. The charge to be assessed each carrier or individual will be based on a standard rate applied against a base that reasonably reflects the benefit derived for those overtime services. The rate will be calculated from a formula incorporating actual overtime pay, including personnel benefits. The base on which this rate is applied may include number of overtime arrivals, cargo weight, vessel capacity, arriving passengers, any combination thereof, or any other reasonable base for allocation to the several owners and operators utilizing overtime Custom's services.

(2) When a customs agent is assigned to any vessel or aircraft for the purpose of conducting an inspection and clearance during the journey, the master of the carrier, owner, or agent must furnish such officer the accommodations usually supplied to passengers.

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In addition, the master, owner or agent shall furnish all air or sea transportation required in order for the customs agent to board such aircraft or vessel. The customs service charge to be imposed shall be in accordance with paragraph (1) of this subsection.

- (3) **Nonperformance of Requested Service.** If employees have reported to work in order to provide requested overtime services, but services are not performed by reason of circumstances beyond the control of the employees concerned, compensation shall be in accordance with paragraph (1) of this subsection.
- (4) **Notice of rate change.** The Director of Finance may change the rate and basis for allocation used for billing overtime services upon 90 days public notice.
- (5) **Interest Charge.** An interest charge of fifteen percent (15%) per annum shall be imposed on all unpaid charges required by this Part.

**Section 1302.34. Customs Exemption for Domestic Travelers, Section 404, Chapter 13, 33 TTC (CNMI).**

(a) **Duty-Free Purchases.** Passengers and crew members in domestic travel as defined, and passengers and crew members boarding a carrier in international travel in Saipan, Rota, Tinian and other islands in the Commonwealth, or vice-versa and destined for any port in the Commonwealth may bring with them no more than two fifths of a wine gallon of distilled alcoholic beverages and not more than three (3) cartons of cigarettes in the port of destination in the Commonwealth, if such beverages and cigarettes were purchased from a duty free retail concession at the port of embarkation in the Commonwealth.

(b) **Excise Taxes.** Passengers and crew members bringing alcoholic beverages and cigarettes in excess of the amount authorized in this section shall be assessed an excise tax in accordance with Section 401 of Public Law 3-11.

Part IV - ADMINISTRATION

Section 1303.1. Uniforms and Identification.

(a) Badge. Unless otherwise directed by the Director, all customs personnel must wear metal badges during working hours, and while on official duty. Badges shall be issued by the Customs Service Division, upon assignment of personnel.

(b) Uniform. Unless otherwise directed by the Director, all customs personnel are required to wear the official customs uniform during working hours and while on official duty. the color and design of the uniform shall be prescribed by the Director.

(c) Plastic Identification Card. All employees of the Customs Service Division must wear their plastic identification card during working hours, and while on official duty.

(d) Interim Identification Card. Upon initial assignment of new personnel or when an identification card is lost, an interim identification card shall be issued to employees. All bearers of the interim identification card are authorized access to all areas of operations in the central office, district offices, airports, and other ports of entry, except areas which are specifically restricted to certain employees.

(e) Requirements. Employees of the Customs Service Division are responsible for the safeguarding and proper use of uniform, badges, and plastic identification cards, and for surrendering them upon termination, or upon request of the Director of the Chief. Any misuse, counterfeiting, alternation, or reproduction is a violation of law and these regulations. All employees must ensure that uniforms and badges are used only in the performance of their duties.

(f) In Case of Loss. All employees must promptly report in writing, the circumstances surrounding the loss of either a customs badge or plastic identification card. Any employee losing his/her badge or plastic identification card will be responsible for compensating the Customs Service Division for the replacement cost if the loss was a result of the employee's negligence.

Section 1303.2. Restricted Areas. The following areas are restricted and only employees of the Customs Service Division with a badge or plastic identification card and authorized individuals are permitted entry:



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<u>Location</u>	<u>Restricted Areas</u>
(a) Central Office, Saipan	Entire office except lobby and customer assistance area.
(b) Rota District Office Songsong, Rota	Entire office except reception area.
(c) Tinian District Office San Jose, Tinian	Entire office except reception area.
(d) Customs Offices Saipan International Airport Rota International Airport West Tinian Airport Tanapag Harbor (Charlie Dock) Rota Harbor (West Dock) Tinian Harbor	Entire office except reception area.
(e) Airports Saipan International Airport  Rota International Airport Tinian International Airport	All compounds listed in Section 1302.32
(f) Waterfront Tanapag Harbor (Charlie Dock) Sugar Dock Baker Dock Garapan Fishing Complex Smiling Cove Rota Harbors (East and West) Tinian Harbor	All compounds listed in Section 1302.32

**Section 1303.3. Restrictions.**

No person is authorized to make, duplicate, or alter any patches, badges, identification cards, passes, logos, symbols or emblems employed by the Customs Service Division. Only authorized employees and other authorized individuals may use, possess, or process any patch, badge, identification card, pass, symbol, or emblem employed by the Customs Service Division.

**Section 1303.4. Rank.**

(a) All personnel assigned to perform customs duties shall be accorded military ranking in their performance as customs officials. Ranking employees assigned to customs shall be in accordance with their supervisory ability, education, training, professionalism in the enforcement of customs duties and responsibilities, satisfactory work performance and dependability. Length of employment shall not be used as a determining factor in the ranking of personnel. Nothing in this section shall be construed as to relate to the employee's official title during his/her employment with the Division of Customs. "Official Title" in this section shall mean the title shown in the employee's current personnel action. In performing customs activities, personnel assigned shall have the working title of a duly commissioned customs agent. "Working Title" means the title and rank given to customs officials.

(b) No employee of the Division of Revenue and Taxation is excluded or barred from performing customs service. The determining factors for the assignment of customs personnel are the qualifications of the employee in performing customs activities and the availability of personnel to carry out adequately the requirements of such function. Nevertheless, all personnel assigned to perform customs service must possess at least eighty (80) hours of practical training and eighty (80) hours of classroom instructions in customs or other law enforcement. However, the minimum qualifications standard in this subsection may be raised pursuant to a procedure established by the Division of Customs, and approved by the Director. In appointing supervisors, the appointee must meet at least the minimum requirements for supervisors as established by the Division of Customs.

**Section 1303.5. Bribery of Customs Officials or Employees.**

If, upon investigation, it is determined that money or anything of value was given, offered, or promised to a customs agent or any other employee of the Division of Customs with the intent to control or influence such officer or employee in the performance of his official duties, the matter shall be referred to the Attorney General of the Commonwealth for prosecution under Section 301, Chapter 13, 11 TTC (CNMI).

**Section 1303.6. Informer's Name Confidential.**

The informer's name and address shall be kept confidential. No files nor information concerning the informer shall be disclosed to unauthorized individuals. No information shall be revealed which might aid the offenders in identifying the informer.

**Section 1303.7. Membership and Affiliation.**

Employees of the Division of Customs may become members or affiliate with government boards, committees, and other respectable social organizations. However, such membership or affiliation shall be limited to only one government board, or one government committee; and the employees shall not participate in board, committee, or social organization activities during regular working hours, such as daytime meetings. The participation of employees in boards, committees, and other respectable social organization shall not interfere with the employee's duties and activities in the Division of Customs.

**Section 1303.8. Pass.**

(a) A temporary pass may be issued to a nonpassenger to enter the passenger/baggage inspection area at the ports for purposes of meeting official guest(s) of the Commonwealth, a disabled passenger, unaccompanied children under the age of six (6) years and other government dignitaries. A pass may be issued to employees of private companies if the presence of such employees in the arrival areas is necessary to the operation of the company. A detailed justification must be submitted to the Division of Customs for review and approval. All temporary passes must be requested and approved by the Director or his delegate at least twelve (12) hours before the arrival of a special passenger. All temporary passes issued must be returned to the Service upon leaving the passenger/baggage inspection area.

(b) A special pass is one that authorizes entry into the sterile area beyond the customs baggage area. Government employees may be issued special passes, only if such employees are required to be in the arrival areas in order to carry out their duties and responsibilities. Special passes are not required for law enforcement personnel whose presence in the sterile area are required to carry out their duties services, provided however that prior notification and approval by the Chief or Supervisor in charge. To qualify for a special pass, both the employee and the employer must file together an application to the Division of Customs and meet the following requirements:

(1) The employer must submit a copy of the determination made by the Service as specified in this section.

(2) The employer must have a valid Commonwealth Airport Authority Security Pass or Port Security Pass and must be authorized to enter the "Aircraft Operation Areas" at the airports or the "Port Security Compound" at the wharf.

(3) A ten dollar (\$10.00) processing fee plus two (2) color pictures, 1-1/8" x 1-1/8", must accompany the application. Polaroid pictures are not acceptable. The processing

*Customs Service Regulations No. 1300*

fee is waived for government employees. However, lamination fee will be charged to the requesting department's operation account.

(4) In addition to all requirements specified in the application form for a special pass, the employer must agree and accept the following conditions:

**CONDITIONS AND ACCEPTANCE**

Special Pass No. \_\_\_\_\_ issued on \_\_\_\_\_ to \_\_\_\_\_ (recipient on behalf of) \_\_\_\_\_ (employer/applicant) is the property of the Commonwealth Government of the Northern Mariana Islands. The Division of Customs may at any time revise, revoke, and/or cancel the special pass which must be returned upon request. The special pass is to be used only in designated areas approved and indicated on the pass, by the person to whom it was issued and only while on duty as an employee of the employer shown above.

In case of loss or theft, a loss charge of fifty dollars (\$50.00) must be paid to the Division of Customs. The employer must report such loss or theft immediately to the Division of Customs shall bear the expense of the loss. Failure to report the loss or theft will result in the cancellation of all special passes issued on behalf of the employer. A lost or stolen pass may be replaced provided another application together with ten dollars (\$10.00) application fee plus the dollar charge of fifty dollars (\$50.00) is filed and paid to the Division of Customs.

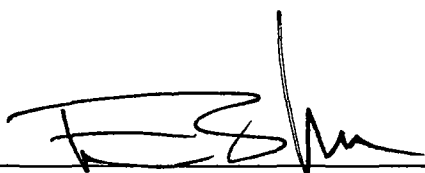
(c) Unlawful use of any pass issued by the Division of Customs shall be subject to the applicable penalties of these provisions.

**Section 1303.9. Procedure - Permanent Deposit.**

(a) A permanent deposit may be authorized to permit the release and delivery of dutiable merchandise prior to making formal entry and paying the actual tax due when required.

Customs Service Regulations No. 1300

**Section 1304.1. Severability.** If any provision of these regulations shall be held invalid by a court of competent jurisdiction, the validity of the remainder of the regulations shall not be affected thereby.

Issued by:   
Eloy S. Inos  
Director of Finance

2/14/92  
Date

Filed and Recorded by:   
for: Soledad B. Sasamoto  
Registrar of Corporations

2/14/92  
Date



Department of Finance  
Office of the Director  
Commonwealth of the Northern Mariana Islands  
P.O. Box 234 CHRB  
Saipan, MP 96950

Cable Address  
Gov. NMJ Saipan  
Phone: 322-3245-3246  
Facsimile: 322-4310

FEBRUARY 14, 1992

PUBLIC NOTICE

BUREAU OF TAXICABS REGULATIONS

The Director of the Department of Finance and the Chief of the Bureau of Taxicabs hereby provide notice of the proposed Bureau of Taxicabs Regulations No. 1500. The regulations provide for the issuance of a taxicab operator's identification card, taxicab meters, fares, inspection of taxicabs to ensure the public's safety, specific requirements taxicabs must meet, restricted activities, insurance, and other matters relating to the operation of a taxicab and/or ownership of any interest in a taxicab(s). These regulations are to be promulgated by the Chief of Taxicabs under authority granted him by Section 6 of Public Law 7-33.

Written comments about these regulations may be addressed to:

Chief of Taxicabs  
c/o Director of Finance  
P.O. Box 5234 CHRB  
Saipan, MP 96950

Issued by:

Juan L. Evangelista  
JUAN L. EVANGELISTA  
Chief of the Bureau of Taxicabs

2/14/92  
Date

Concurred by:

Eloy S. Inos  
ELOY S. INOS  
Director of Finance

2/14/92  
Date

Filed and  
Recorded by:

Soledad B. Sasamoto  
for: SOLEDAD B. SASAMOTO  
Registrar of Corporations

2/14/92  
Date



Department of Finance  
Office of the Director  
Commonwealth of the Northern Mariana Islands  
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Cable Address  
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Phone: 322-3245-3246  
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FEBRERU 14, 1992

NOTISIAN PUBLIKO

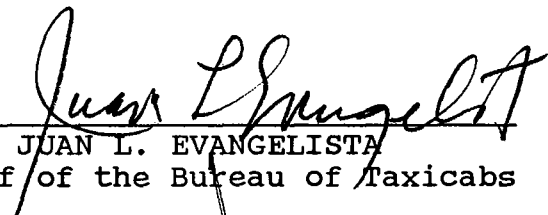
REGULASION POT ASUNTON TAXICABS

I Direktot i Depatamento Fainansiat yan i Chief i Bureau of Taxicabs hanotitisia i publiko pot i mapropopone na regulasion yan areglamento pot asunton Taxicab. Este na regulasion ha probiniye areglo pot asunton lisensian taxicabs, identifikasion draiba, areglamento pot i taxicab meta', fleti, yan otro siha na inspeksion yan areglamenton taxicabs para huna seguro na guaha proteksion para i publiko. Lokue, este na regulasion ha probininiye areglo pot asunto insurance, yan otro siha na areglo yan atibidad ni tidebi naumachogue gi bisnes taxicab. Este na regulaksion para umalangos segun i atoridad i Chief i Taxicabs ni ninae gue segun i Seksiona 6 gi Public Law 7-33.

Todo petsonas yan indibiyuat nui man tineteka pat man gai interes nuesta siha na regulasion sina matugi i kinentran-niha, sapottasion-niha, pat opinion-niha ya uma satmite halom antes de i Matso dia kinse, 1992, gi sigente na address:

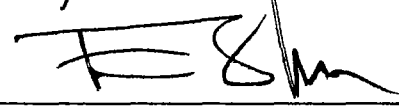
Chief of Taxicabs  
c/o Director of Finance  
P.O. Box 5234 CHR  
Saipan, MP 96950

Pineblika As:

  
JUAN L. EVANGELISTA  
Chief of the Bureau of Taxicabs

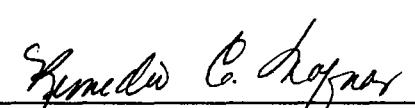
  
Fecha

Hakonfotma As:

  
ELOY S. INOS  
Direktot I Fainansiat

  
Fecha

Mafiiëd yan  
Renihistra As:

  
for: SOLEDAD B. SASAMOTO  
Registrar of Corporations

  
Fecha



# Department of Finance

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Commonwealth of the Northern Mariana Islands

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Phone: 322-3245-3246

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We, Eloy S. Inos, the Director of the Department of Finance, and Juan L. Evangelista, the Chief of the Bureau of Taxicabs, intend to promulgate the Bureau of Taxicabs Regulations No. 1500, and by signature below hereby certify that these regulations are a true, correct and complete copy of the regulations to be formally adopted by the Department of Finance for the Bureau of Taxicabs. We further request and direct that this certification and these regulations be published in the Commonwealth Register.

We declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 14th day of February, 1992 at Saipan, Commonwealth of the Northern Mariana Islands.

ELOY S. INOS, Director  
Department of Finance

JUAN L. EVANGELISTA Chief  
Bureau of Taxicabs



DEPARTMENT OF FINANCE

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# DEPARTMENT OF FINANCE

## *Taxicab Regulations No. 1500*

### Part A. General Provisions

#### Section 1501. Title and Authority.

These rules and regulations shall be called the "Bureau of Taxicab Regulations." These regulations are promulgated by the Chief of Taxicabs under authority granted him by Section 6 of Public Law 7-33.

#### Section 1501.1. Definitions.

Unless the context otherwise requires, the definitions set forth below govern the construction of terms as used in the Taxicab Rules and Regulations.

"Act" means the Taxicab Regulation Act of 1991, and any amendments thereto.

"Association" means a group of taxicab owners organized for the purpose of common benefit as regards operation; for example, radio dispatch, color scheme, etc..

"Bureau" means the Bureau of Taxicabs.

"Chief" means the Chief of the Bureau of Taxicabs, unless otherwise stated.

"Director" means the Director of Finance.

"Highway" means a way or place of whatever nature open to the use of the public for purposes of vehicular traffic, including ways or places that are privately owned or maintained.

"Independently Operated Taxicab" means a taxicab which is not part of a fleet, tax company or association.

"Intoxicating Liquor" means beer, distilled spirits or wine, and every liquid or solid which contains one half of one percent (0.5%) or more of alcohol by volume and which is fit for beverage purposes either alone or when combined with other substances. See 5 CMC Section 5512(a).

"Operator" means any person who drives or is in actual physical control of the taxicab.

"Owner" means any person, association, or company that owns or leases taxicabs and is engaged in the operation of a taxicab business, including any person having legal or equitable title to a taxicab.

**TAXICAB REGULATIONS NO. 1500**

"Taxicab" means a passenger vehicle for hire, other than a motor bus, which is built for that purpose, and includes a sedan type vehicle having a seating capacity of less than eight passengers.

**Part B. Taxicab Operator**

**Section 1502. License.**

No person shall operate a taxicab upon a highway without having in his immediate possession a valid taxicab driver's license issued by the Bureau of Motor Vehicles.

**Section 1502.1. Certification of Fitness.**

In order to receive a taxicab operator's license, an applicant driver shall apply for a Certification of Fitness from the Bureau of Taxicabs. If the Certification of Fitness is granted by the Chief of the Bureau of Taxicabs, or his designee, then the applicant shall apply for a taxicab operator's license with the Bureau of Motor Vehicles in such a manner as the Chief of the Bureau of Motor Vehicles provides.

**Section 1502.2. Certification of Fitness Requirements.**

The following requirements for the receipt of a Certification of Fitness from the Bureau of Taxicabs are in addition to the qualifications set forth in 9 CMC, Division 2, Chapter 2. The following requirements are necessary and must be satisfied for the issuance of a Certificate of Fitness. The applicant:

- a. Must be a citizen of the United States or any other territory under the administration of the United States; and,
- b. Must be a bona fide resident of the Commonwealth. A bona fide resident of the Commonwealth is a person qualified to register to vote in the Commonwealth and over the age of 18, and,
- c. Must provide two passport size photographs. One photo is for the taxicab Operator's identification card, and the other photo is for the Bureau of Taxicab's file copy of the taxicab operator's identification card.

**Section 1502.3. Conditional Certification of Fitness.**

All Certifications of Fitness issued by the Bureau of Taxicabs shall be conditional upon the Department of Public safety finding that the applicant has not been convicted of a felony, or convicted of theft of a vehicle, homicide by a vehicle, fleeing or attempting to elude a police officer, or twice convicted of reckless driving or driving while under the influence of alcohol and drugs, as

**TAXICAB REGULATIONS NO. 1500**

defined in the Commonwealth Code. A plea of guilty shall be deemed a conviction.

**Section 1502.4. Hearing Before the Parole Board.**

Any applicant denied a Certification of Fitness based upon a conviction of the offenses found herein below, may request a hearing from the Bureau of Taxicabs within 30 days of such denial. The hearing shall be conducted by the Parole Board to determine whether the conviction is for a minor felony or traffic violation and whether the evidence shows that the applicant is now fully reformed. The hearing shall be an informal hearing, and the Parole Board will determine which evidence to consider. If after such hearing, the Parole Board determines that the applicant is fit, then the Parole Board shall issue a recommendation that the Bureau of Taxicabs issue a Certificate of Fitness.

**Section 1502.5. Fee.**

Upon receiving approval of an application for a taxicab operator's license from the Bureau of Motor Vehicles, the applicant shall pay fifteen dollars (\$15.00) to the CNMI Treasurer. There is a fee of five dollars (\$5.00) for each duplicate or substitute license issued. Such fee must also be paid to the CNMI Treasurer.

**Part C. Taxicab Driver's Identification**

**Section 1503. Taxicab Operator's/Driver's Identification Card.**

- a. No taxicab operator shall use or cause to be used, for the purpose of hire, a taxicab which does not have a taxicab operator's identification card mounted within twelve inches (12") of the taxi meter and that it is readily visible to all passengers. The taxicab operator's identification card shall not be mounted on the sun visor of the taxicab. The operator's identification card shall be issued by the Chief of the Bureau of Taxicabs. This identification card shall be laminated in plastic or so constructed as to make alteration difficult.
- b. The Taxicab Operator's Identification Card shall contain the following:
  - (1) A photograph of the operator, such photograph must be a true clear, and recognizable likeness of the face of the operator,
  - (2) The full name of the operator,
  - (3) The taxicab driver's license number,



**TAXICAB REGULATIONS NO. 1500**

- c. The name, taxicab operator's license number, and the taxicab registration number on the taxicab operator's identification as prescribed by the Chief of the Taxicab Bureau.
- d. The reverse of the Taxicab Operator's Identification shall provide the following information:
  - (1) Operator's date of birth;
  - (2) Taxicab Operators's license number;
  - (3) Operator's height;
  - (4) Operator's weight;
  - (5) Operator's hair color;
  - (6) Operator's eye color;
  - (7) Date license was issued;
  - (8) Operator's signature;
  - (9) The signature of the Chief.

**Section 1503.1. Alteration, Removal or Destruction of Taxicab Operator's Identification; Taxi Fare Card: Tampering Prohibited.**

No person shall alter, destroy or remove from a taxicab any approved Driver's I.D. card or taxicab fare card.

**Section 1503.2. Expiration Date of Taxicab Operator's Identification Card.**

- a. Every taxicab operator's identification card shall expire on the last day of December of the issuing year unless the license application was approved in November or December of the same year, in which event the Chief of Taxicabs shall cause the taxicab operator's identification card to expire on December 31 of the following year. There shall be no proration of fees.
- b. A new set of two photographs showing the operator's likeness shall be submitted with each application for a taxicab operator's identification card renewal. The photographs shall be passport size.
- c. A license number shall be assigned annually by the Chief of Motor Vehicles to each taxi operator. Such taxicab operator's license number shall remain

**TAXICAB REGULATIONS NO. 1500**

in full force and effect as the identification number for the taxicab driver through the license year.

**Section 1503.3. Renewal Denied.**

- a. A taxicab operator's identification card shall not be renewed if the Chief or his representative finds the taxicab operator in substantial noncompliance with the Act or the regulations thereunder. However, a taxicab operator shall be given notice, and a hearing before the Bureau, prior to such denial as described herein below, provided a timely application for renewal was made.
- b. If a taxicab operator makes a timely application for renewal, then the taxicab operator's identification card is valid until the Bureau of Taxicabs makes a final determination. Should the renewal be denied, the previous taxicab operator's identification card shall expire 30 days after the Bureau's final decision. See 4 CMC 9111(a).

**Section 1503.4. Revocation or Suspension of Taxicab's Company's License or Taxicab Driver's Identification Card.**

- a. Whenever a taxicab operator's identification card is revoked or suspended, the Chief shall require that the taxicab identification card be surrendered to and retained by the Chief or his representative. However, revocation or suspension of the taxicab identification card will only occur after notice and a hearing as described herein below. However, if there is a threat to the public health safety or welfare requiring emergency suspension, then a hearing shall be held at the earliest feasible time after suspension. See 4 CMC 9111(b).
- b. The Chief of the Bureau of Taxicab's shall return the operator's identification to the licensee at the end of the suspension period.

**Section 1503.5. Operation of a Taxicab Other Than the Owner or Taxicab Operator.**

No person shall operate a taxicab for hire without having in his possession a valid taxicab operator's license and taxicab operator's identification card. The fact that any person is in physical control of such taxicab shall be "prima facie" evidence that he is doing so with the permission of the owner or operator.

**TAXICAB REGULATIONS NO. 1500**

**Section 1503.6. Annual Review of Driving Record.**

In reviewing each application for renewal of a taxicab operator's identification card, the Chief or his authorized representative shall consider the driving record of each taxicab operator. The renewal applicant shall provide a clearance from the clerk of the CNMI Superior Court showing records pertaining to all criminal and traffic violations involving the applicant. In reviewing the driving record, the Chief shall consider any evidence that the operator has violated applicable provisions of these regulations. The Chief shall also consider the operator's accident record, any evidence that the driver has violated laws governing the operation of motor vehicles or has driven or operated a motor vehicle while under the influence of alcohol, or has otherwise exhibited a disregard for the safety of the public. A note setting forth the date upon which the review was performed and the name of the person who reviewed the driving record, shall be included in the operator's Certification of Fitness file. Should an officer or employee of the Bureau of Taxicab's determine, based upon such review, that there are substantial violations of the Act and the regulations thereunder, then the taxicab operator's identification card may be suspended or revoked following notice and a hearing as described herein below, unless the public health, safety, or welfare requires immediate emergency suspension. In such case, the operator shall receive a hearing at the earliest possible time after suspension or revocation.

**Part D. Taxicab Owners**

**Section 1504. Requirement for Insurance.**

All taxicab owners must be insured under a general or public liability policy of insurance issued by a qualified insurance company licensed to do business in the Commonwealth, as follows:

- a. Minimum coverage of one hundred thousand dollars (\$100,000) for bodily injury or death of any one person in any one accident; and
- b. Minimum coverage of three hundred thousand dollars (\$300,000) for bodily injury or death of more than one person in any one accident; and
- c. Minimum coverage of thirty thousand dollars (\$30,000) for injury or destruction of property in any one accident; and
- d. Uninsured motorist coverage in the above amounts.

**TAXICAB REGULATIONS NO. 1500**

**Part E. Sign Requirements**

**Section 1505. Exterior Signs.**

Every owner of a taxicab operated or to be operated in the Commonwealth shall paint or cause to be painted on the exterior of each front door, the word "taxi," its registration number, and the name under which it is registered.

**Section 1505.1. Registration Numbering.**

In the event that more than one taxicab is registered in the name of any one individual, partnership, corporation, company or other business association, such taxicabs shall be serially numbered and the applicable serial number placed on each front door below the registered owner's name.

**Section 1505.2. Identification of Owner.**

The word "Owner" shall be painted on the exterior of each front door, on a line directly above the name under which the taxi is registered.

**Section 1505.3. Required Letters and Numbering Size.**

Letters and numbers painted or to be painted on any vehicle licensed or to be licensed as a taxicab shall be of such size and type style as prescribed by the Chief.

**Section 1505.4. Color Restrictions: White or Dark/Black On Light.**

Taxicabs having the vehicle body exterior painted a dark color shall have the signs and numbers painted white. Taxicabs having the vehicle body exterior painted a light color (yellow, red, etc.), shall have the signs painted with black paint. These color requirements shall also apply to vehicles painted with a two-tone (two different color) shade.

**Section 1505.5. Sign Display: Approved by the Chief.**

No lettering, sign display, advertising or advertising devices shall be used on any taxicab without the approval of the Chief.

**Section 1505.6. Removal of All Sign Displays.**

Immediately upon removing the vehicle from service as a taxicab, the registered owner or operator shall remove or paint out all distinctive portions of any authorized exterior sign display.

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**Section 1505.7. Abbreviation Prohibited.**

No abbreviations of the owner, lessee or taxi company's name shall be used by any person as an exterior taxicab sign display.

**Part F. Schedule of Taxi Fares**

**Section 1506. Taxi Rates -- Charges.**

Every taxicab owner, taxi company or driver, who owns or has control over any taxicab, shall assess a passenger-for-hire the following rates, fares or charges:

- a. FLAG DOWN RATE (good for first 1/2 mile).. \$2.00
- b. 1st Mile..... \$4.00
- c. Every additional 1/4 mile thereafter..... \$ .70
- d. Waiting time, every 2 minutes..... \$ .75

**Section 1506.1. Posting of Fares -- Design, Size.**

The schedule of taxicab fares and charges shall be of such size and type style as prescribed by the Chief. This schedule of taxicab fares shall be printed in English, Chamorro, Carolinian, Japanese and Korean. This schedule of fares shall be posted and readily visible to all passengers seated in the front and rear of the taxicab.

**Section 1506.2. Charges, Fares, When Permitted.**

The schedule of taxi fares may only be charged for the use of the taxicab when the taxicab is actually occupied by the passengers-for-hire, standing at the direction of the passengers-for-hire, or when occupied by parcels or baggage belonging to the passengers-for-hire.

**Section 1506.3. Additional Passengers -- Charges Thereof.**

No taxicab company, owner or operator who owns or controls a taxicab shall assess a fee for any additional passengers in the taxicab, provided all passengers are traveling as one party.

**Section 1506.4. Additional Passengers -- Conditional Pickup.**

Additional passengers shall not be picked up without the consent of all passengers-for-hire already in the taxicab. The fare for the additional passengers-for-hire shall be based upon a new taxi meter reading from the point of departure of the last departing passenger to the destination of the additional passenger-for-hire. The foregoing rates shall be subject to the following exceptions and conditions, whichever the case may be.

**TAXICAB REGULATIONS NO. 1500**

**Section 1506.5. Use of Lower Rates -- Prohibited.**

No operator, owner, or taxi company shall assess a taxi fare, nor shall any operator, owner or taxi company adjust a taxi meter or any of its working parts to show a fare or a charge which is different from the fare or charge which is different from the fare or charges prescribed herein.

**Section 1506.6. Direct Route -- Use Of.**

Every taxicab operator shall follow the most direct or usually traveled route between the origin and destination of each trip.

**Section 1506.7. Extra Large Parcels, Objects -- Charges For.**

The operator of a taxicab may charge a fee of one dollar (\$1.00) for each extra large parcel or any parcel requiring strenuous lifting on the part of the operator or the use of a rope or tie-down to secure its presence on or within the taxicab, i.e., bicycle, surfboard.

**Part G. Taxi Meters**

**Section 1507. Taxicab Meter Requirements.**

- a. No person shall operate a taxicab or permit a taxicab to be operated for the purpose of hire without first installing a taxi meter, inspected for accuracy and reflecting the current rates of fare as established herein.
- b. The Chief must approve all taxicab meters. The Chief shall publish a list of all businesses selling approved taxicab meters and registered taxicab meter service agencies.

**Section 1507.1. Installation.**

The taxi meter shall be permanently situated on or against the center of the dashboard panel, connected to the transmission, by a speedometer cable in a manner approved by the Chief. The charges or fare indication shall be clearly visible to the passengers seated on the front and rear seats of the taxicab.

**Section 1507.2 Illumination.**

Adequate lighting facilities shall be provided for so illuminating the face of the taxi meter that the indications thereof may be conveniently read by the passenger, and the face of the taxi meter shall be so illuminated whenever the taxi meter is in operation and artificial illumination is necessary for the convenient reading of its indications.

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**Section 1507.3. Gearbox -- Installation.**

All gear-reducing boxes or other parts required for the service operation of a taxi meter shall be permanently situated within the engine compartment of the taxicab, plainly visible for inspection and easily accessible for the application of security seals.

**Section 1507.4. Security Seals -- Provisions For.**

Adequate provisions shall be made for affixing lead-and-wire seals to a taxi meter and to other parts required for the service operations of a complete installation on a vehicle, so that no adjustments, alterations or replacements affecting in any way the accuracy or indications of the device or the assembly can be made without mutilating the seal or seals. The sealing means shall be such that it is not necessary to disassemble or remove any part of the device or of the vehicle to apply or inspect the seals.

**Section 1507.5. Indications -- Visibility Of.**

Except when a taxi meter is being cleared, indications of fare and extras shall be clearly visible at all times and at least ten (10) millimeters high for the fare and four (4) millimeters high for all other indicators.

**Section 1507.6. Reinspection.**

Whenever a taxi meter has been damaged, or repairs that might in any way affect the accuracy of its indications have been made, or any of the official security seals have been mutilated, such device shall not thereafter be used until it has been officially examined and approved. The Chief shall cause the immediate removal of all official stickers or certificates issued to a taxi meter which has been damaged or which official seals have been tampered with.

**Section 1507.7. Random Inspections.**

- a. The Chief or his representatives may from time to time make random administrative inspections of taxicabs and their equipment to assure compliance of all applicable rules and regulations for the purpose of ensuring the public's safety. The verbal order or other orders of the Chief, or his representative, to perform such inspections shall be obeyed by all taxi companies, owners and operators. He may also inspect pertinent records, such as the taxicab operator's report of unsafe conditions.
- b. The Chief and all other officers or employees of the Bureau of Taxicabs shall have picture identification cards identifying them as officers or employees of the Bureau of Taxicabs. The back of the card shall include a statement that the officer or employee is authorized to perform an administrative inspection of taxicabs,

**TAXICAB REGULATIONS NO. 1500**

equipment, and owner's and operator's records in order to ensure the public's safety.

**Section 1507.8. Taxi Meter Employed.**

Except in any emergency, the taxi meter shall be activated (put in operation) whenever a passenger-for-hire is in the taxicab and the taxicab and the operator have begun the trip. No owner, taxi company or operator shall use or permit to be used as transportation-for-hire a taxicab without first activating the taxi meter.

**Section 1507.9. Calibration of Taxicab Meters.**

- a. No operator or owner of a taxicab shall offer or let the taxicab for hire unless the taximeter installed therein or adjusted for any change in mileage rate is first registered with and inspected by the Bureau and found to calculate and register fares correctly in conformity with the rates as set forth in these regulations and a seal attesting thereto is placed on the taximeter.
- b. It shall be the duty of the owner or operator of any taxicab equipped with a taximeter to submit the taxicab to the Bureau for inspection, testing, and sealing on the date established by the Bureau. Every inspection shall include the examination and inspection of the taximeter affixed in the taxicab, every wheel, tire, gear shaft, and every part of the taxicab which may affect or control the operation of the taximeter.

**Section 1507.10. Taxicab Radio Usage.**

Taxicab Operators and Owners must receive prior approval from the Chief of the Bureau of Taxicabs for their radio systems, or approval within 30 days of the date of these regulations take effect.

**Part H. Vehicles**

**Section 1508. Vehicle Type.**

No vehicle shall be used as a taxicab or transportation-for-hire unless such vehicle is "built for that purpose" or of a sedan type having a seating capacity of less than eight (8) passengers, exclusive of the operator. The vehicle must be equipped with at least two (2) doors for the entrance and exit of passengers in addition to the door or doors which give access to the operator's seat.



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**Section 1508.1. Vehicle Condition.**

- a. No vehicle shall be operated as a taxicab unless it is reasonably clean and safe inside, so as not to damage the person, clothing or possessions of a passenger. The vehicle's exterior shall be reasonably clean and essentially free from cracks, breaks, and major dents. It shall be painted to provide adequate protection and appearance. Repairs done to comply with this section shall be done within twenty (20) working days. The taxicab shall be placed "out-of-service" after this 20-day period until such time as the vehicle is returned to its safe condition.
- b. Extraneous items such as tools shall be locked in the vehicle's storage area.

**Section 1508.2. Driver's Report -- Taxicab Condition.**

Every taxicab owner or taxi company shall require its taxicab operators to report, and every taxicab operator shall prepare a report listing any mechanical defects or deficiencies of the vehicle discovered by him during his operation of the vehicle, as would be likely to affect the safe operations of the taxicab. Such report shall be submitted to the owner or taxi operator for review and immediate action to correct the defects and to return the taxicab to its safe condition.

**Section 1508.3. Unsafe Taxicab -- Operation Prohibited.**

No taxicab owner or operator shall permit or require a operator to operate, nor shall any operator operate, a taxicab which a reasonable inspection would reveal, or the report of the last operator revealed, to be hazardous or likely to result in a mechanical condition which is hazardous to operate or is more likely than a safe vehicle to cause an accident while in operation.

**Section 1508.4. Proper Exits -- Requirement.**

No person shall ride or be required to ride within the closed body of any taxicab unless there are means on the inside thereof of obtaining exit. Said means shall be in such condition as to permit ready operation by the occupant, so that every occupant of the taxicab shall be able to unlock and open their door. There shall be no device on the operator's door which allows the operator to lock all vehicle doors.

**Section 1508.5. Periodic Safety Inspection.**

- a. No person shall operate, nor shall any owner permit the operation of or cause to be operated, any taxicab without first passing a safety inspection and obtaining a safety decal.

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- b. Every person operating a taxicab or registered owner thereof shall have the taxicab safety inspected twice (2 times) each year, once every sixth month following the month in which the last safety inspection occurred.
- c. An official safety inspection decal shall be attached to the taxicab after each safety inspection conducted.
- d. If the Chief, or his representative, upon completion of a taxicab inspection discovers a mechanical defect on the taxicab hazardous to its safe operation, the Chief may order the taxicab operator or owner to remove such taxicab from service until such time that the taxicab is returned to its safe condition.
- e. The Chief may require additional inspections on any or all taxicabs subject to Public Law 7-33 and these regulations as the Chief finds necessary in order to assure compliance with the act and regulations thereunder to provide safe taxicab service for the public.

**Section 1508.6. Damaged Vehicle -- Prohibited for Sale.**

No taxicab company or owner shall permit or require a taxi operator to operate a taxicab which has been damaged in an accident, or from other causes, no shall any taxicab operator so operate a taxicab, unless the taxicab has been safety inspected by a person qualified to ascertain the nature and the extent of the damage and the relationship of such damage to the safe operation of the taxicab. No taxicab shall be operated after damage by accident or otherwise unless an authorized vehicle inspection station has determined it to be safe for operation, and issued a new Safety Decal, even if it is not the usual time for renewal.

**Section 1508.7. Safety Decal -- Removal Of.**

The Chief shall cause the immediate removal of the safety inspection decal from a taxicab which was involved in an accident. The taxicab owner shall, prior to the operation of the taxicab, cause the taxicab to be safety inspected by an authorized vehicle inspection station. A new safety decal shall be acquired and installed on the taxicab.

**Section 1508.8. Accidents -- Report to the Department of Public Safety and the Chief.**

- a. Every taxicab owner shall report the involvement in an accident of a taxicab registered under his or her name to the Chief of the Bureau of Taxicab's or his authorized representative. The Chief shall review the accident report and determine if the accident's occurrence was caused by the negligent operation of the taxicab or by

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the poor maintenance or mechanical condition of the taxicab.

- b. Every taxicab operator shall report accidents which involve a taxicab to the Department of Public Safety.

**Section 1508.9. Tires.**

- a. Every taxicab shall be equipped with tires of adequate capacity to support its gross weight.
- b. No taxicab shall be operated on tires which have treads that have been worn smooth, showing no tread impression on any part of the tire, or which exposes any tread fabric or defect whatsoever, likely to cause failure during normal operation of the taxicab.
- c. No taxicab shall be operated on tires not consistent with manufacturer's specification, or of a different size or diameter from the tires used during the initial taxi meter certification.
- d. No taxicab, whose tires have been changed, shall be operated without first acquiring a "Certificate of Reinspection" for its taxi meter.

**Part I. Lights -- Requirement, Interior**

**Section 1509. Interior Lights.**

Every taxicab shall be equipped with a light capable of illuminating the interior of the taxicab and controlled by the operation of the doors or manually controlled by the operator.

**Section 1509.1. Dome Light.**

Every taxicab shall have, installed on the roof of the taxicab, a dome light assembly illuminating the words "taxi," "cab," or "taxicab". Every taxicab owner shall within 30 days of availability of the dome light cause the installation of such dome light on the taxicab.

**Section 1509.2. Electrical Wiring -- Protection Required.**

Electrical wiring shall not be visible within the confines of the taxicab. Wiring shall be grouped together and protected by non-metallic tape, braid or other covering capable of withstanding severe abrasion or shall be protected by being enclosed in a non-metallic sheath or tube.

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**Section 1509.3. Fire Extinguisher -- Requirement.**

Every taxicab shall be equipped with a portable fire extinguisher capable of putting out fire caused by gasoline, oil, paper, clothing materials, electrical and other fires which may occur from the daily operation of a motor vehicle. The fire extinguisher shall be of a type approved by the Commonwealth Fire Department, readily accessible within the taxicab.

**Section 1509.4. Speedometer/Odometer -- Requirement.**

Every taxicab shall be equipped with a speedometer and an odometer properly installed and maintained in good working order. No taxicab shall be used in taxicab service while its speedometer or odometer is not properly working or has been disconnected.

**Section 1509.5. Engine Condition -- Requirement.**

No taxicab shall be operated if there are leakages of gas, oil and other fluids necessary to the operation of a motor vehicle.

**Section 1509.6. Tinting, Shades, Curtain Prohibited.**

Taxicabs licensed under these regulations shall be prohibited from having adhesive or spray tinting on their windows. Additionally, nothing on the windows shall obstruct the view of those inside the taxicab from those outside the taxicab.

**Section 1509.7. Trip Records.**

All taxicab operators shall, keep a trip Record containing the following entries:

- a. Number of passengers, time (to the minute), date and odometer reading when leaving the boarding point.
- b. The time (to the minute), date, fare charged and odometer reading at the discharge point.
- c. The time (to the minute), date and odometer reading of departure and return to taxi stand when making trips for a personal purpose.
- d. The Trip Record shall be open to inspection by the Chief or his delegate during reasonable times and in such places as the Chief deems necessary.
- e. The Trip Record shall be kept for a period of one (1) year, unless the Chief determines a period longer than one year shall be applicable.

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**Section 1509.8. Receipts to be Issued.**

Every taxicab operator when requested by a passenger to so do, shall give a receipt showing his or her name, I.D. card number, taxicab operator's license number, the time, date, and place of origin and destination of the passenger's trip, and the amount of the fare. On the back of every receipt issued to the customer, the following information shall be printed: "Complaints" "Filing Procedures".

**Part J. Prohibited Practices**

**Section 1510. Narcotics, Amphetamine, and Other Dangerous Drugs.**

- a. No person shall operate or be in physical control of a taxicab who is under the influence of the following substances:
  - (1) A narcotic drug or any derivative thereof.
  - (2) An amphetamine or any formulation thereof (including but not limited to "pep pills" and "bennies").
  - (3) Any other substance to a degree which renders him or her incapable of safely operating a motor vehicle.
- b. No operator or taxi company shall knowingly require or permit an operator to violate the above Part J, Section 1510 of the rule.
- c. Part J, Section 1510 above of this rule does not apply to the possession or use of a substance administered to a operator by or under the instructions of a physician who has advised the operator that the substance will not affect his or her ability to operate a motor vehicle.

**Section 1510.1. Intoxicating Liquor.**

- a. No taxicab operator shall:
  - (1) Consume an intoxicating liquor, regardless of its alcoholic content, or be under the influence of an intoxicating liquor within eight (8) hours before operating or having control of a taxicab.
  - (2) Consume an intoxicating liquor, regardless of its alcoholic content, or be under the influence of an intoxicating liquor while on a duty or operating or in physical control of an motor vehicle. 4 CMC

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Section 5560 prohibits any person from consuming alcohol while on a highway.

- (3) No intoxicating liquor shall be carried or stored in any taxicab during the business hours of such taxicab, except as the property of a passenger riding in said taxicab.

**Section 1510.2. Sleeping in the Taxicab.**

The practice of sleeping in the taxicab is prohibited. Every taxi operator is required to be rested and well groomed when reporting for duty.

**Section 1510.3. Other Conduct.**

All taxicab operators shall faithfully discharge their duty as a common carrier, and:

- a. Treat all passenger(s)-for-hire, and potential passenger(s)-for-hire with courtesy.
- b. Not refuse a prospective passenger for hire on the basis of nationality.

**Section 1510.4. Safety Restraints and Taxi Over-Capacity Load.**

- a. In accordance with 9 CMC Section 5809(a) and (b), every taxicab occupant shall wear a safety belt or harness while in transit. Every taxicab shall have a Department of Public Safety approved child passenger restraint system for children under two years of age. Children under the age of two shall wear such Department of Public Safety approved restraint device while in transit. If a child under the age of two years has outgrown the standard child size safety restraint system, then the child shall be secured by a Department of Safety approved safety belt or harness.
- b. Every taxicab shall have a Department of Public Safety approved child passenger restraint system for children under two years of age in the taxicab's storage area.
- c. The taxicab must be loaded so as not to obstruct the operator's view to the front or sides or interfere with his control over the vehicle.

**Section 1510.5. Advertising.**

No advertising or advertising device shall be placed on or in any taxicab without the approval of the Chief.

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**Part K. Taxicab Operator's Dress Code**

**Section 1511. Taxicab Dress Code.**

All taxicab operators shall be neatly groomed properly dressed.

**Part L. Complaints and Hearings**

**Section 1512. Complaints: The Chief Shall Notify.**

- a. The Chief upon receiving a complaint against any operator or owner of a taxicab shall notify the respondent operator or owner of the nature of the complaint and that an answer must be filed with the Chief within ten (10) calendar days following the date of notice of the complaint to the respondent operator. The Chief shall notify the taxicab driver and taxicab owner of the complaint by certified mail. The date of notice shall be the date of mailing.
- b. Upon receiving such answer, the Chief shall notify the complainant of the contents or nature of the answer and shall take appropriate action to conciliate and resolve the complaint.

**Section 1512.1. Complaint: Notified of Non-Violation.**

If the facts as alleged in any complaint filed with the Chief are clearly not in violation of these regulations, the complainant shall be so notified.

**Section 1512.2. Complaint: Notification of Hearing.**

- a. Where a complaint is forwarded, and not dismissed for good reason, a hearing shall be held by the Chief concerning the complaint not later than ninety (90) calendar days following receipt of the complaint by the Chief. The Chief shall send a notice to the complainant and the respondent operator of the time, place and subject matter of the hearing by Certified Mail not later than fifteen (15) calendar days prior to the scheduled date of the hearing. The taxicab operator shall additionally receive notice as to the nature of the proceeding, the legal authority and jurisdiction under which the hearing is to be held, the particular sections of statues or regulations involved, and the matters asserted. See 1 CMC Section 9109.
- b. The taxicab operator may attend the hearing, provide evidence in his or her behalf, produce witnesses, and may be represented in the hearing by a person of his or her

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choosing. However, irrelevant, immaterial, and unduly repetitive evidence shall be excluded.

- c. The Director or his designee presiding at such hearing shall be impartial, and shall not be supervised by or under the direction of any Bureau officer or employee who is responsible for investigative or prosecutorial Bureau functions. See 1 CMC Section 9109(g)(2). The Chief of the Bureau of Taxicabs shall not preside at a hearing.
- d. There shall be a record of the hearing in accordance with the provisions of 1 CMC Section 9109.

**Section 1512.3. Allegations of Substantial Non-Compliance by the Bureau of Taxicabs.**

- a. If the Chief or his designee has reason to believe a taxicab operator or taxicab owner, company, or association is in substantial non-compliance with this Act and the regulations thereunder, he shall send by certified mail a letter which so informs such person(s) of the alleged violations, sets forth the date and time for a hearing, and is mailed not later than fifteen (15) calendar days prior to the scheduled date of the hearing. The notice shall additionally contain the information found herein above.
- b. The hearing shall be conducted as provided herein above.

**Section 1512.4. Chief or his Representative's Finding of Substantial Non-Compliance with the Act After Notice to Licensee and a Hearing.**

- a. If the Chief or his designee determines, as a result of said hearing, that the taxicab operator or taxicab owner, company or association is in fact in substantial non-compliance with this Act and these regulations the Chief may suspend or revoke the taxicab operator's identification card.
- b. The taxicab operator or company shall be apprised, in writing, as described herein below, of his or her right to seek to seek judicial review in the Commonwealth Superior Court within 30 days of the final administrative action by the Bureau.

**Section 1512.5. Complaints: Filing Procedures Posted.**

There shall be displayed in a suitable frame on the back of the front seat of each taxicab, in such a position as to be clearly visible to passengers, a notice of the procedures to be followed by persons wishing to file a complaint based on any violations of this



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Subchapter. The notice shall be in Chamorro, Carolinian, English, Japanese and Korean.

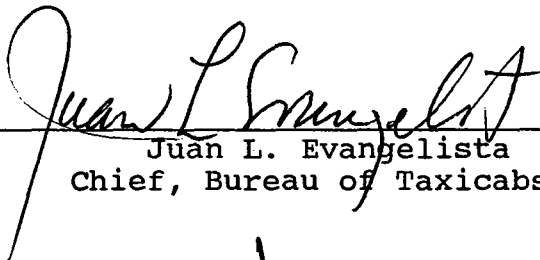
**Section 1513. Effective Date.**

Unless otherwise mandated by Public Law 7-33, the specific requirements of these regulations, such as motoring insurance, signs, etc., shall be accomplished and/or fulfilled not later than thirty (30) days from the effective date of these regulations.

**Section 1514. Severability Clause.**

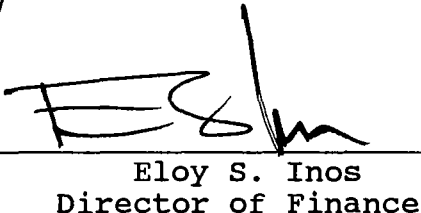
If any provision of this article or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the article which can be given effect without the invalid provision or application, and to this end the provisions of the article are declared to be severable.

Issued by:

  
\_\_\_\_\_  
Juan L. Evangelista  
Chief, Bureau of Taxicabs

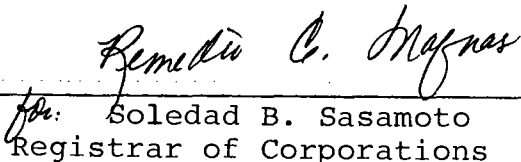
2/14/92  
Date

Concurred by:

  
\_\_\_\_\_  
Eloy S. Inos  
Director of Finance

2/14/92  
Date

Filed and  
Recorded by:

  
\_\_\_\_\_  
for: Soledad B. Sasamoto  
Registrar of Corporations

2/14/92  
Date

**PUBLIC NOTICE**


**NOTICE OF INTENT  
TO ADOPT AMENDMENTS  
TO THE IMMIGRATION  
REGULATIONS**

**BACKGROUND:** On November 15, 1991, the Office of the Attorney General gave notice to the public of adoption of emergency regulations with regard to the issuance of certain business entry permits (Commonwealth Register, Volume 13 No. 11, p. 8509). This publication had the legal effect of placing these emergency regulations into effect for a period of one hundred twenty (120) days or until March 15, 1992. The Attorney General now proposes to adopt permanent regulations governing certain business entry permits upon the expiration of the emergency regulations in the same form as the emergency regulations previously certified by the Attorney General and published in the Commonwealth Register.

**CONTENTS:** The amendments relate to Sections 704 and 706. A. of the Immigration Regulations and provide for an increase in the stay for Short-Term Business Entry permits from fourteen (14) days to thirty (30) days. The Amendment further provides that application for the ninety (90) day Regular-Term Entry Permit be made while the alien is in the Commonwealth. Section 1201 is amended to increase the fee for a Regular-Term Business Entry Permit to \$100.

**PUBLIC COMMENTS:** Comments on the proposed amendments may be sent to the Attorney General, Capitol Hill, Saipan, MP 96950.

**AUTHORITY:** The Attorney General is authorized to promulgate immigration regulations pursuant to 3 CMC §4312.

  
\_\_\_\_\_  
Robert C. Naraja  
Attorney General

2-14-92  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Registrar of Corporations

2-14-92  
\_\_\_\_\_  
Date of Filing with  
the Registrar

## **NUTISIAN PUPBLIKU**

### **NUTISIA PUT I INTENSION PARA U FANMA'ADAPTA I AMENDASION SIHA GI REGULASION IMIGRASION**

**INTRODUSION:** Gi Nobiembre 15, 1991, i Ofisinan i Attorney General manlaknos nutisia para i pupbliku put i ma'adaptan i manggotpe yan nisisario siha na regulasion osino' emergency regulations put asunton manna'en business entry permit pat lisensian humalom put bisnes siha (Rehistran Commonwealth, Baluma 13, Numiru 11, pahina 8509). Este na publikasion ha kakatga i ligat na fuetsa ni para u na'fanefektibu este siha na regulasion komu lai para siento bente dias (120) na tetminu osino' asta Matso 15, 1992. I Attorney General ginen este ha propoponi umadapta petmanente siha na regulasion ni para u gubetna i manna'en business entry permits gi uttimon i tetminon i emergency regulations gi parahu ha' na fotma yan i manggotpe yan nisisario siha na regulasion ni mangginen manmasetefika nu i Attorney General yan ma pupblika gi halom i Rehistran Commonwealth.

**FONDAMENTO:** I amendasion siha ma tutuka i Seksiona 704 yan 706. A. gi Regulasion Imigrasion (Immigration Regulations) yan ma pribeniniyi para i inaomenta gi kuantu dias siña sumaga para i Short-Term Business Entry Permits osino i kaddada' na tetminon humalom put bisnes na klasen lisensia siha ginen katotse (14) dias asta trenta (30) dias. I Amendasion siha lokkue' ha pribeniniyi na i aplikasion para i nubenta (90) dias pat i Regular-Term Entry Permit osino' i regulat na tetminon lisensian humalom u ma fa'tinas mentras ki gagaige ha' i estrangheru gi halom i Commonwealth. I Seksiona 1201 ma amenda para u ma aomenta i apas para i Regular-Term Business Entry Permit hulo' asta siento pesos (\$100).

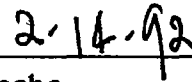
**KOMENTON PUPBLIKU:** Komento siha put i manma propoñi na amendasion siña ma na fanhahanao guato gi:

Attorney General  
Capital Hill, Saipan, MP 96950

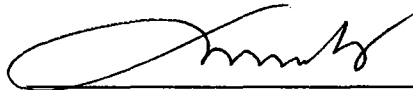
**ATURIDAT:** I Attorney General ma aturisa na u fanlaknos regulasion siha put asunton imigrasion sigon gi 3 CMC §4312.




Robert C. Naraja  
Attorney General



Fecha



Rehistradot Kotporasion



Fecha ni ma satmiti guato  
gi Rehistradot

**ARONGORONGOL TOWLAP**

**ARONGORONG BWULIL IGHA  
RE BWE ADAPTAALI SCHIWEL  
ME ALLEGH REEL IMMIGRATION**

**AWEEWEL:** Llól November 15, 1991, nge ofisial Attorney General e atootowow allegh ngáliir towlap reel igha rebwe adaptaali eww allegh emergency regulations reel isisiwowul business entry permit (Commonwealth Register, Volume 13 No. 11, p. 8509). Allegh yeel nge ebwe alleghellegheló llól ebweghiw ruweigh (120) ráal mwetngali March 15, 1992. Ofisial Attorney General abwuliw bwe ebwele adaptaali me alleghiuló akkaw alleghúl business entry permit ngare a takklo emergency regulation we afasúl alleghló me llól ofisial Attorney General nge a isisiwow llól Commonwealth Register.

**OWTOOL:** Siwel yeel e aweewei llól Sections 704 me 706. A. reel Immigration Regulation e sásáarte llól yaal ebwe lo llól Short-Term Business Entry Permits sangi seigh me faaw (14) ráal mwetngáli eliigh (30) ráal. Siwel yeel nge ebwal yoor application llól (90) ráal reel Regular Term Entry Permit ngaliir alien igha re schagh llól Commonwealth Section 1201 nge e siwel bwe ebwe teetá abwós reel Regular-Term Business Entry Permit ngáli \$100.

**YAAR ARAMAS TUNGOR:** Ngare eyoor yóómw ayeegh sáangi siwel ye re atoowowu nge ubwe ischi ngáli:

Attorney General

Capitol Hill, Saipan, MP 96950


**ALLEGH:** Ofisinal Attorney General mille eyoor bwángil bwe ebwe feer alleghul immigration sáangi 3 CMC §4312.



Robert C. Naraja  
Attorney General

2-14-92

Ráál



Registrar of Corporations

2-14-92

Ráálil Isislong Ilól  
Registrar