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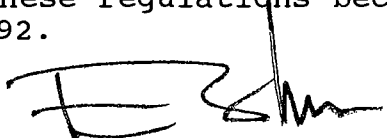
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February 18, 1992

EMERGENCY PROMULGATION OF REGULATIONS
REVENUE AND TAXATION REGULATIONS NO. 9100

The Director of the Department of Finance hereby finds that the public interest mandates the emergency promulgation of Revenue and Taxation Regulations No. 9100 as emergency regulations for the Division of Revenue and Taxation. The emergency promulgation of these regulations provide for the day to day operation of the Division of Revenue and Taxation, as well as to provide control over the licensing, movement and relocation of poker machines. The emergency promulgation of Revenue and Taxation Regulations No. 9100 is necessary due to the uncertainty of the validity of Revenue and Taxation Regulations 8301, and all ammendments thereto, as the result of Judge Taylor's order in CNMI v. Lizama (Criminal Case No. 91-106), which is presently on appeal to the CNMI Supreme Court, and to eliminate any uncertainties in the day to day operation of the Division of Revenue and Taxation. These regulations 9100 shall serve as interim regulations, and are necessary pending the promulgation and adoption of permanent regulations. Emergency Revenue and Taxation Regulations No. 9100 are promulgated under the authority given to the Director of Finance at 1 CMC §2557, and according to the provision for emergency regulations at 1 CMC §9104(b). These regulations become effective on the 18th day of February, 1992.

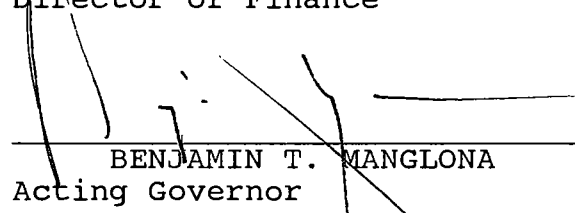
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Director of Finance

2/18/92
Date

Concurred by:



BENJAMIN T. MANGLONA
Acting Governor

2/18/92
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SOLEDAD B. SASAMOTO
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2/18/92
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EMERGENCY REVENUE AND TAXATION REGULATIONS NO. 9100

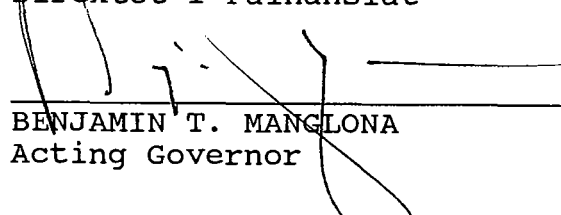
I Direktot Fainansiat hasoda na i interes i publiko ginagagao na una guahayi ensegidas na regulasion para i Dibision i Revenue yan Taxation. Este na emergency na regulasion ha probeneye para i kada dia na aktibidat i Dibision i Revenue yan Taxation pot man rekohen tax yan lokue pot para u maneha assuntun lisensia, yan mobemienton makinan poker. Este na emergency na regulasion Numeru 9100 nesessario pot rason na i Revenue yan Taxation Regulasion 8301 yan todo amendasion sina ha ti bumale sigun gi otden nai humuyong ginen i Kaosan Kotti, Kaosan Criminat Numuro 91-106, nu i gaige pago na para u ma ekungog gi CNMI Supreme Court. Este na emergency na regulasion para uma usa komo temporario na regulasion i Dibision i Revenue yan Taxation mientras mana guahahaye nu i petmanente na regulasion. Este na emergency na regulasion i Revenue yan Taxation Numeru 9100 ma publica sigun gi atoridad ni manai i Direktot i Fainansiat gi Seksiona 2557, 1 CMC, Seksiona 2571, 1 CMC, yan Seksiona 9104(b), 1 CMC. Este na regulasion umefektibo gi dia 18 gi Febreru, 1992.

Pineblika As:


ELOY S. INOS
Direktot i Fainansiat



Fecha

Ha Apreba As:


BENJAMIN T. MANGLONA
Acting Governor


Fecha

Mafiled yan
Renihistra As:


SOLEDAD B. SASAMOTO
Registrar of Corporations


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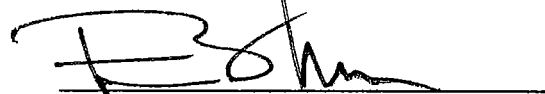


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I, Eloy S. Inos, the Director of the Department of Finance, who is publishing the emergency promulgation of Revenue and Taxation Regulations No.9100, by signature below hereby certify that the emergency promulgation of Revenue and Taxation Regulations 9100 are a true, correct, and complete copy of the emergency regulation formally adopted by the Department of Finance for the Division of Revenue and Taxation.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 18th day of February, 1992 at Saipan, Commonwealth of the Northern Mariana Islands.


ELOY S. INOS, Director
Department of Finance

DEPARTMENT OF FINANCE

EMERGENCY REVENUE AND TAXATION REGULATIONS No. 9100

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DEPARTMENT OF FINANCE

EMERGENCY REVENUE AND TAXATION REGULATIONS No. 9100

Part I - GENERAL PROVISIONS

Section 4.1101.1. Authority. The authority for the promulgation and issuance of Emergency Revenue and Taxation Regulations No. 9100 is by virtue of 1 CMC §§ 2557 and 9104.

Section 4.1102.1. 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 the administrative appeals system.

Section 4.1102.2. Organization. Revenue and Taxation, a division of the Department of Finance established pursuant to 1 CMC §2571 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 4.1102.3. 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 4.1102.4. 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 4.1102.5. Regulations Superseded. Revenue and Taxation Regulations No. 9100 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 4.1103.0. 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.

(c) Casual Sales - Casual sales is defined in Section 4.1301.4 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 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 4.1104.0. Reserved for Other Definitions -

Part II - WAGES AND SALARY TAX

Section 4.1201.1 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.

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 4.1201.2. 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 4.1201.3. 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 - GROSS REVENUE TAX

Section 4.1301.1 Business Subject to Taxation. Unless 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 4.1301.2. Form of Business Subject to Taxation. 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 4.1301.3. 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 4.1301.4. Casual Sales. The gross revenue from the combined annual sales, lease, and rental of any property, real or personal, tangible or intangible, 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 the following items within a calendar quarter:

One used car	\$ 1,500
Electrical Range	300
Electric Clothes Dryer	200
Color Television	<u>350</u>
Total	<u>\$ 2,350</u>

Mr. Torres must file a business gross revenue return for the quarter in which the sales 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 4.1301.5. 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) Sources within the Commonwealth as defined in the Internal Revenue Code shall also mean "within" the Commonwealth.

(c) Government Contracts.

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(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.

(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 4.1301.6. 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 4.1302.1. 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 4.1303.1. 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 4.1304.1. 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 4.1305.1. 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 - Poker and Amusement Machines

Section 4.1504.1. 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.

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(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 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 licensed.

(1) 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.

(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.

(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 4.1504.2. 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.

(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.

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(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 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

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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 V - Income Tax

Section 4.1701. 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 designated 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 4.1702.1. 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).

(2) Chapter 62. Time and place for Paying Tax, except as provided for on §4.1709.1(C) and §4.1818.1 of this regulation.

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- (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 4.1702.2. 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 §4.1702.1. 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,
- (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 4.1702.3. 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 4.1703.1. 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.

(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 base on Example 2 on §4.1703.1(B) shall be applicable.

Example 1. Fiscal Year. Taxpayer C is on fiscal year, July 1 to June 30, the gross income from 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	
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:

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	<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 §4.1709.1(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 4.1703.2. 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 4.1703.3. 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 4.1703.4. 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;
 - (iii) if the appraisal is performed before and after the six (6) months period to and after January 1, 1985, the appraisal may be 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.

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(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 4.1703.5. 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 4.1704.1. 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 4.1704.2 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 4.1704.3. 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 4.1705.1. 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) §4.1703.5(A)(a), Independent Appraisal;
- (2) §4.1703.(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 §4.1703.5(A)(e) book value.

(c) For purposes of determining allowances for amortization and for similar purposes, the fair market value obtained pursuant to §4.1703.5(A)(a) and (d), must allocate the FMV in accordance with the applicable NMTIT sections on amortization:

Section 4.1705.2. 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.

(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 4.1706.1. 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):

- (1) §169, Amortization of Pollution Control Facilities;
- (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;

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- Tunnel Bores;
- (6) §185, Amortization of Railroad Grading and
 - (7) §188, Child Care Facilities Amortization;
 - (8) §189, Amortization of Real Property Construction Period Interest and Taxes;
 - (9) §190, Expending of Removing of Barriers to Handicapped and Elderly;
 - (10) §193, Tertiary Injections;
 - (11) §194, Reforestation Expenditures;
 - (12) §195, Start-up Expenditures;
 - (13) §243, Dividends Received from Domestic Corporations;
 - (14) §244, Dividends Received on Public Utility Preferred Stock;
 - (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;
 - (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.

(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 4.1707.1. Reserved.

Section 4.1708.1. 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 4.1709.1. Relief from Double Taxation.

(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:

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	<u>SALARIES</u>	<u>(NMTIT)</u>
BIWEEKLY INCOME	\$ 769.23	\$ 769.23
WITHHOLDING TAX COMPUTED	38.46	71.00
ACTUAL TAX WITHHELD	38.46	32.54 (\$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 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

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ACTUAL TAX WITHHELD 38.46 -0- (\$11.31-\$38.46=-27.15)=0
 TOTAL WITHHOLDING TAX PER PAY PERIOD \$38.46

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>

(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 4.1710.1. 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 4.1711.1. 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 4.1712.1. 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 4.1712.2. 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 VI. Administrative Provisions

Section 4.1804.1. 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 4.1804.2. 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 4.1804.3. 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 4.1804.4. Effective Date. Wages and salaries paid, and withholding tax deducted by the employers 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.

Section 4.1804.5. 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 4.1804.6. 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.

Section 4.1805.1. Business Gross Revenue Tax Quarterly Reporting.

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(a) Every business subject to tax under Section 4.1301.1 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%

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 4.1805.2. Manufacturing, Wholesaling, and Oceanshipping. For business gross revenue solely from manufacturing, wholesaling, and oceanshipping activities the following rates shall apply:

If the annual gross revenue earned from all activities is:	The tax on gross revenue earned solely from manufacturing, wholesaling, and oceanshipping is:
(i) \$0 to 5,000	no tax
(ii) 5,001 to 50,000	1.5% of total gross revenue from wholesaling, manufacturing, and oceanshipping over \$0
(iii) 50,001 and over	2% of total gross revenue from wholesaling, manufacturing, and oceanshipping over \$0

Section 4.1805.3. 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 4.1805.4. 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 4.1805.5. 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 4.1805.6. 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 4.1805.7. 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 4.1807.1. 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 4.1807.2. Record Maintenance. 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.

Section 4.1807.3. 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 4.1808.1. 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 4.1808.1, 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 4.1808.1 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 4.1811.1 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 4.1812.1. 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 4.1818.1. 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 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

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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

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.

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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 4.1818.2. 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 4.1818.3. 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 4.1818.4. 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 4.1818.5. 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 4.1818.6. United States Agencies and Commonwealth Agencies.

(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 4.1818.7. 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 4.1818.8. Common-law Relationship. For purposes of the NMTIT, a common-law relationship is not recognized.

Section 4.1818.9. 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 4.1818.10. 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.

(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 4.1818.11. 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 4.1818.12. 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 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 4.1818.13. 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:

Location

Restricted Areas

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- (a) Central Office, Saipan Entire office except lobby and taxpayer assistance area.
- (b) Rota District Office Entire office except Songsong, Rota reception area.
- (c) Tinian District Office Entire office except San Jose, Tinian reception area.

Section 4.1818.14. 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 4.1818.15. 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 4.1818.16. 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 4.1818.17. 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 4.1818.18. 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 4.1818.19. 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.

(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 4.1818.20. 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 4.1818.21. 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 VII - Administrative Appeals System.

Section 4.1818.22. Right of Appeal and Preparing Protests for Unagreed Cases.

(a) If the taxpayer agrees with the examining officer's findings, he may pay any additional amount due and owing without waiting for a bill. The check or money order must be made payable to the Treasurer, Northern Marianas, including interest on the additional tax at fifteen percent (15%) per annum, or such adjusted rate as is established under the Internal Revenue Code, from the due date of the return to the date of payment. Cash must not be sent in the mail.

(b) The Division of Revenue and Taxation maintains a system of appeals through which disagreements on tax matters can be settled without expensive and time-consuming court trials.

(c) If a taxpayer does not agree with the examining officer's findings, he is urged to first appeal his case to higher levels within the Department of Finance.

(d) If a taxpayer does not want to appeal his case to a higher level within the Department of Finance, Division of Revenue and Taxation, he may either:

(1) Request the Division of Revenue and Taxation to issue a Statutory Notice of Deficiency, then upon receipt of it, take his case to the Commonwealth Trial Court or the District Court whichever has jurisdiction in his case, or

(2) Pay the tax, file and claim for refund and, if the claim is disallowed, file suit for refund in the Commonwealth Trial Court or the District Court, whichever has jurisdiction.

Section 4.1818.23. General Rules on How to Appeal a Case Within the Department of Finance, Division of Revenue and Taxation.

(a) There are three levels of appeal within the Department of Finance, Division of Revenue and Taxation. The Division Conference Staff; Chief, Division of Revenue and Taxation; and the Director of Finance consider cases involving income, excise, business gross revenues, and other taxes administered by the Department of Finance, Division of Revenue and Taxation.

(b) The first level of appeal from the findings of the examining officer is the Division Conference Staff. A conferee from the staff will meet with the taxpayer and discuss the disputed issues fully. Most differences are resolved at this level.

(c) The Chief, Division of Revenue and Taxation, will arrange a division conference at the revenue office at a mutually convenient time. A request for a division conference should be made within the period specified in the letter enclosing the instructions (within sixty (60) days if the letter is addressed to a taxpayer outside the Commonwealth of the Northern Mariana

Islands). To avoid the time and expense of an additional conference, the taxpayer or his representative should be prepared to discuss all disputed issues at the conference.

(d) If an agreement is not reached at a division conference, the taxpayer may appeal his case to the second level - the Chief, Division of Revenue and Taxation and then to the third level of appeal - the Director of Finance.

(e) If an agreement is not reached at the division conference or higher levels, the taxpayer may, at any stage of these procedures, appeal to the courts. (See Appeal Procedure to the Court, Section 4.810.5.).

Section 4.1818.24. Written Protest.

(a) A written protest is not required for a division conference, if

(1) The proposed additional tax, proposed over-assessment, or claimed refund or credit does not exceed \$2,500 for either of the years, periods or returns involved.

(2) The examination was conducted by correspondence or during an interview in the Division of Revenue and Taxation Office, regardless of the amount involved.

(b) A written protest is required for a division conference if the amount involved exceeds \$2,500 and the examination was conducted by a field agent in the taxpayer's home or office. A protest should contain:

(1) A statement that the taxpayer wants to appeal the findings of the examining officer to the Division Conference Staff.

(2) The name and address (the residence address of individuals; the address of his principal office or place of business).

(3) The date and symbols on the letter transmitting the proposed adjustments and findings the taxpayer is protesting.

(4) The taxable years, periods, or returns involved.

(5) An itemized schedule of adjustment or findings with which the taxpayer does not agree.

(6) A statement of facts supporting the taxpayer's position in contested factual issues. This statement and all major evidence submitted with the protest are to be declared true and under penalties of perjury. This may be done by adding to the protest the following declaration signed by the taxpayer as an individual or by an authorized officer of a corporation.

"Under the 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 knowledge and belief, they are true, correct, and complete."

(7) Instead of the declaration required in the preceding step 6, if the representative of the taxpayer prepared or filed the protest, he 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) A statement outlining the law or other authority upon which the taxpayer relies.

(9) File an original and one (1) copy of all protests with the Chief, Division of Revenue and Taxation.

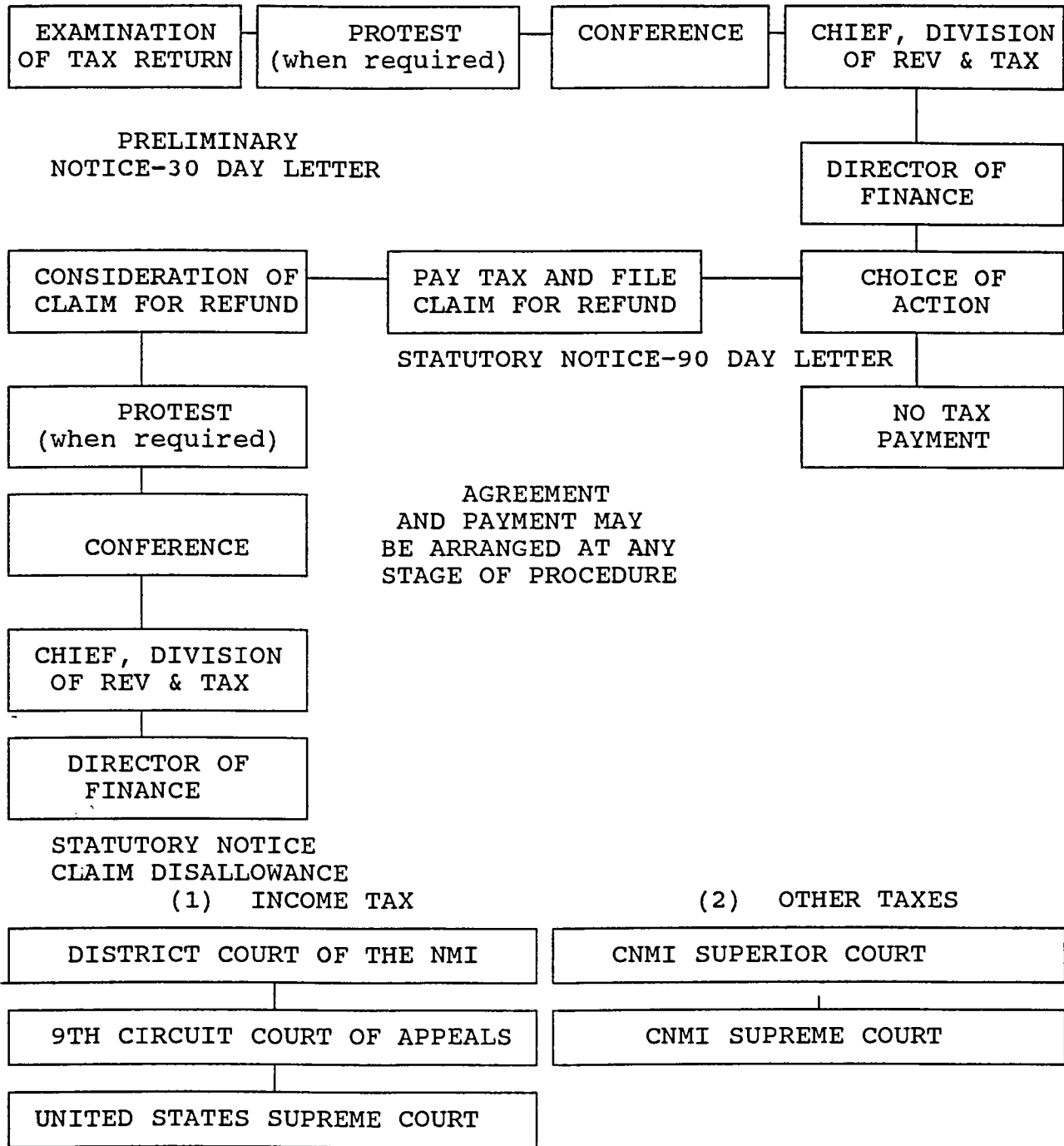
Section 4.1818.25. Representation. The taxpayer may represent himself at the division conference or a hearing with the Division Chief or Director of Finance, or he may be represented by an attorney. The taxpayer may also bring any witness who knows the facts and can furnish evidence to support the taxpayer's position. If a taxpayer's representative attends a conference without the taxpayer, he must file a power of attorney or a tax information authorization before he may receive or inspect confidential information. Form 2848, Power of Attorney, or Form 2848D, Authorization and Declaration (or any other properly written power of attorney or authorization) may be used for this purpose.

Section 4.1818.26. Appeal to the Courts.

(a) If an agreement on a tax dispute is not reached or if a decision of the Director of Finance is adverse to the taxpayer, in whole or in part, the taxpayer may file a petition within one year from the date of the adverse decision in the Commonwealth Superior Court, pursuant to Public Law No. 3-11. The Commonwealth Superior Court is an independent judicial body and has no connection with the Division of Revenue and Taxation or the Department of Finance. (See Flowchart on Tax Appeal Procedure on page 107 of these regulations).

(b) The court will schedule the case for trial. The taxpayer may represent himself before the court or he may be represented by anyone admitted to practice before the court.

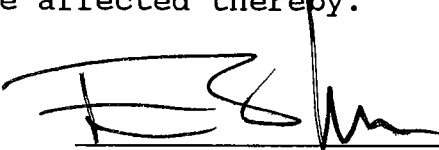
DIVISION OF REVENUE AND TAXATION

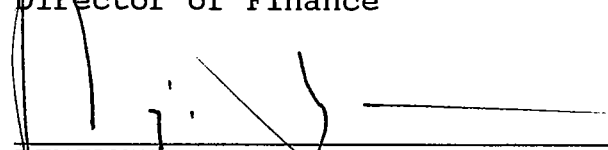


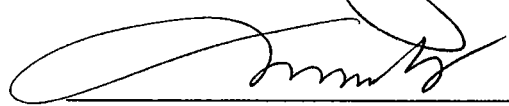
Section 4.1818.27. Severability. If any provision of these regulations shall be held invalid by a court of competent

REVENUE AND TAXATION REGULATIONS 9100

jurisdiction, the validity of the remainder of the regulations shall not be affected thereby.

Issued by:  _____ Date 2/18/92
ELOY S. INOS
Director of Finance

Concurred by:  _____ Date 2/18/92
BENJAMIN T. MANCLONA
Acting Governor

Filed and Recorded by:  _____ Date 2/18/92
SOLEDAD B. SASAMOTO
Registrar of Corporations



Department of Finance

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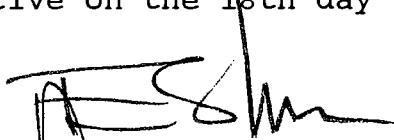
February 18, 1992

EMERGENCY PROMULGATION OF REGULATIONS

DIVISION OF CUSTOM SERVICES REGULATION NO. 9101

The Director of the Department of Finance hereby finds that the public interest mandates the Emergency Promulgation of Customs Service Regulations No. 9101. The emergency promulgation is due to the uncertainty of the validity of the existing Revenue and Taxation Regulations No. 8301 as the result of Judge Taylor's order in CNMI v. Lizama (Criminal Case 91-106), which is presently on appeal to the CNMI Supreme Court, and to eliminate any uncertainties in the day to day operation of the Division of Customs Service. The emergency promulgation of Customs Service Regulations No. 9101 provide for the day to day operation of the Division of Customs Service, and supercedes Revenue and Taxation Regulations 8301 and all amendments thereto. These emergency Customs Service Regulations No. 9101 shall serve as interim regulations, and are necessary pending the promulgation and adoption of permanent regulations. Emergency Regulations No. 9101 are promulgated under the authority given to the Director of Finance at 1 CMC §2553(a) and §2557, and according to the provision for emergency regulations at 1 CMC §9104(b). These regulations become effective on the 18th day of February, 1992.

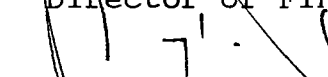
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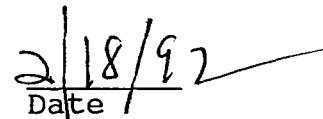
ELOY S. INOS
Director of Finance


Date

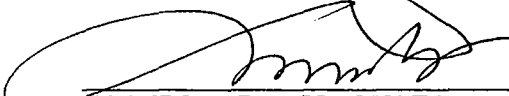
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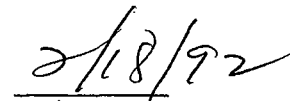
BENJAMIN T. MANGLONA
Acting Governor


Date

Filed and
Recorded by:



SOLEDAD B. SASAMOTO
Registrar of Corporations


Date



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FEBRERU 18, 1992

NOTISIAN PUBLIKO

EMERGENCY CUSTOMS SERVICE REGULATIONS NO. 9101

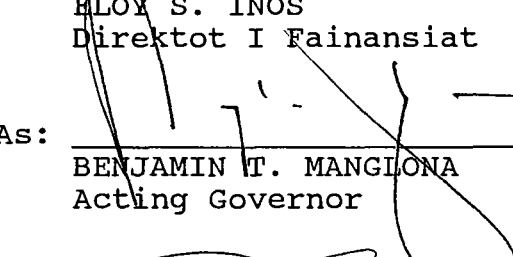
I Direktot Fainansiat hasoda na i interes i publiko ginagagao na una guahayi ensegidas na regulasion para i Dibision i Setbision Customs. Este na emergency na regulasion ha probeneye para i kada dia na aktibidat i Dibision i Setbision Customs yan pot man rekohen tax yan lokue pot assuntun manrekonosen katga yan hinalum taotao siha gi Commonwealth. Este na emergency na regulasion Numeru 9101 nesessario pot rason na i Revenue yan Taxation Regulasion 8301 yan todo amendasion sina ha ti bumale sigun gi otden nai mana huyong ginen i Kaosan Kotti, Kaosan Criminat Numuro 91-106, nu i gaige pago na para u ma ekungog gi CNMI Supreme Court. Este na emergency na regulasion para uma usa komo temporario na regulasion i Dibision i Setbision Customs mientras mana guahahaye nu i petmanente na regulasion. Este na emergency na regulasion para i setbision Customs Numeru 9101 ma publica sigun gi atoridad ni mana i Direktot i Fainansiat gi Seksiona 2553(a), 1 CMC, Seksiona 2557, 1 CMC, yan Seksiona 9104(b), 1 CMC. Este na regulasion umefektibo gi dia 18 gi Febreru, 1992.

Pineblika As:


ELOY S. INOS
Direktot i Fainansiat

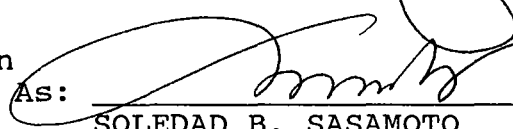

Fecha

Ha Apreba As:


BENJAMIN T. MANGLONA
Acting Governor


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

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Gov. NMJ Saipan

Phone: 322-3245-3246

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I, Eloy S. Inos, the Director of the Department of Finance who is publishing this emergency promulgation of Customs Service Regulations No. 9101, by signature below hereby certify that the emergency promulgation of Division of Customs Service Regulations No. 9101 are a true, correct, and complete copy of the emergency regulations formally adopted by the Department of Finance for the Division of Customs Service.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 18th 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
Emergency Regulations No. 9101

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DEPARTMENT OF FINANCE
EMERGENCY CUSTOMS SERVICE REGULATIONS NO. 9101

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

collected by the Customs Service Division and be deposited with the Treasurer of the Commonwealth Government.

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(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.

(f) Carrier - The word "carrier," unless the context requires otherwise, means any description of craft or other

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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;

(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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HOLD		PASS
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.

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

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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.

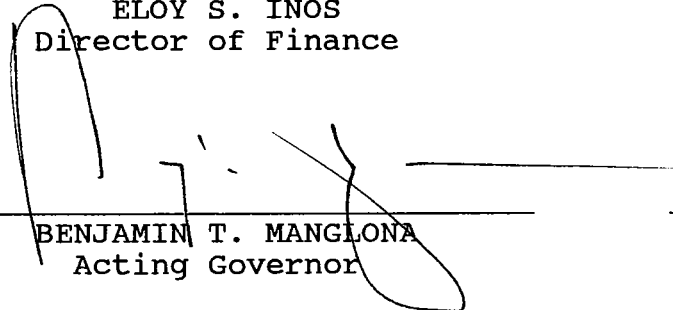
Section 1303.9. Procedure - Permanent Deposit.

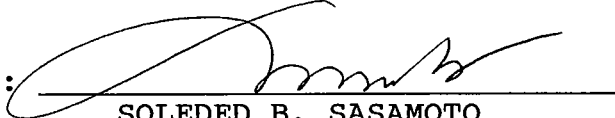
(a) A permanent deposit may be authorized to permit the release and delivery of dutiable merchandise prior to making formal entry and paying the actual tax due when required.

Emergency Customs Service Regulations No. 9101

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:  2/18/92
Date
ELOY S. INOS
Director of Finance

Concurred by:  2/18/92
Date
BENJAMIN T. MANGLONA
Acting Governor

Filed and
Recorded by:  2/18/92
Date
SOLEDED B. SASAMOTO
Registrar of Corporations

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 regulations governing general provision for gaming applications and licenses to be utilized by the Commission under the Tinian Casino Gaming Act of 1989.

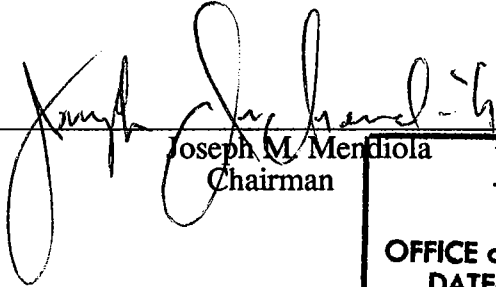
The Commission hereby advises the general public that the Rules and Regulations are available at the Commission Office, P.O. Box 143, San Jose Village, Tinian, M.P. 96952.


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

Dated this 12 day of February, 1992.

TINIAN CASINO GAMING CONTROL COMMISSION

BY: _____


Joseph M. Mendiola
Chairman

FILED
at the
OFFICE of the ATTORNEY GENERAL
DATE: <u>3/10/92</u>
TIME: <u>2:15</u> AM (PM)
BY: 
REGISTRAR OF CORPORATIONS Commonwealth of the Northern Mariana Islands

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 na regulasion yan i punto siha i Commission para u-usa gi para i ginagagao i hinirat na probision pot i aplikantin huego (casion) yan lisensia siha gi papa i Tinian Casino Gaming Control Act 1989 yan todo inekkungok siha ni manginagagao.

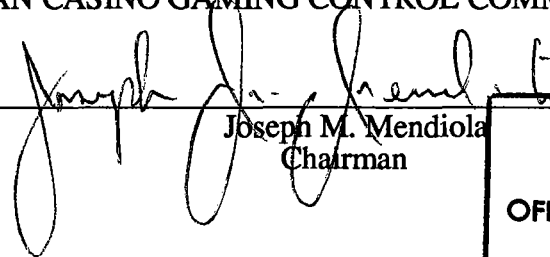
I Commission ha-abibisa i publiku henerat na i Areglu yan Regulasion gaige gi Offisinan i Commission, P.O. Box 143, San Jose Village, Tinian, MP 96952.

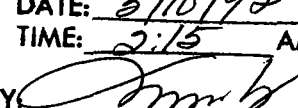
Este siha na areglo yan regulasion para u efektibo gi noticia na ma-adopta sigun ni maprobiniyi gi Commonwealth Administrative Procedures Act.

Mafecha gi mina 12 na haane gi Febreru, 1992.

TINIAN CASINO GAMING CONTROL COMMISSION

BY:


Joseph M. Mendiola
Chairman

FILED at the OFFICE of the ATTORNEY GENERAL DATE: <u>3/10/92</u> TIME: <u>2:15</u> AM/PM BY:  REGISTRAR OF CORPORATIONS Commonwealth of the Northern Mariana Islands



TINIAN CASINO GAMING CONTROL COMMISSION

Municipality of Tinian and Aguiguan
Commonwealth of the Northern Mariana Islands

Commissioners:

Joseph M. Mendiola
Chairman

Jose P. Cruz
Vice Chairman

Raynaldo M. Cing
Lino V. Lizama
Freddy U. Hofschneider

William M. Cing
Executive Director

Francis X. Lame Bull, ESQ
Legal Counsel

Fredric E. Gushin ESQ
Gaming Consultant

Jerry C. Gatch, CPA
Consultant (Special Advisor)

CERTIFICATION

I, William M. Cing, Executive Director of the Tinian Casino Gaming Control Commission of San Jose, Tinian, which is promulgating the Rules Regarding General Provisions herein set forth, by signature below hereby certify that such Rules are a true, complete and correct copy of the Rules Regarding General Provisions formally adopted by the Tinian Casino Gaming Control Commission.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 12th day of February, 1992, at Tinian, Commonwealth of the Northern Mariana Islands.

William M. Cing
Executive Director

FILED
at the
OFFICE of the ATTORNEY GENERAL
DATE: <u>3/10/92</u>
TIME: <u>2:15</u> AM/PM
BY:
REGISTRAR OF CORPORATIONS
Commonwealth of the
Northern Mariana Islands

TINIAN CASINO GAMING CONTROL COMMISSION RESOLUTION
GENERAL PROVISIONS

Resolution No. 92-16

WHEREAS, the people of the Second Senatorial District, in the exercise of a fundamental constitutional right, enacted the Tinian Casino Gaming Control Act of 1989 pursuant to Articles XXI and IX of the Commonwealth Constitution; and

WHEREAS, the Tinian Casino Gaming Control Commission, an autonomous local governmental entity, was created pursuant to the Tinian Casino Gaming Control Act of 1989, by Local Initiative, which was approved overwhelmingly by the voters of the Second Senatorial District on November 4, 1989; and

WHEREAS, pursuant to the Tinian Casino Gaming Control Act of 1989, the Tinian Casino Gaming Control Commission is vested with the power and authority to establish, regulate, set standards for casino operations, solicit and select suitable qualified applicants/operators, and enact and enforce rules and regulations to carry out the intent and purpose of the Tinian Casino Gaming Control Act of 1989; and

WHEREAS, the Tinian Casino Gaming Control Commission deems it necessary and appropriate to achieve these purposes has adopted for publication regulations relating to general provisions which shall be published in the Commonwealth Registrar during the month of March, 1992, and

NOW, THEREFORE, BE IT RESOLVED, that the Tinian Casino Gaming Control Commission does hereby tentatively adopt the attached regulations regarding general provisions which shall be published for comment in the Commonwealth Registrar during the month of March, 1992.

CERTIFICATION

This Resolution was duly adopted by a vote of 4 for and 1 against at a duly convened meeting of the Commission, with a quorum being present, on this 12th day of February, 1992.

ATTEST:


Executive Director


Joseph M. Mendiola
Chairman

CHAPTER 10
GENERAL PROVISIONS

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SUBCHAPTER 5. PROFESSIONAL PRACTICE (Reserved)

GENERAL PROVISIONS

SUBCHAPTER 1. CONSTRUCTION AND APPLICATION OF RULES

10-1.1 Authority

These rules and regulations are issued under and pursuant to the authority of the Tinian Casino Gaming Control Act of 1989.

10-1.2 Construction and amendments

- (a) These rules shall be construed in accordance with generally accepted principles of statutory construction.
- (b) These rules shall be liberally construed to permit the Commission to effectively carry out its statutory functions and to secure a just and expeditious determination of issues properly presented to the Commission.
- (c) Nothing contained in these rules shall be so construed as to conflict with any provision of the Tinian Casino Gaming Control Act of 1989.
- (d) In special cases and for good cause shown, the Commission may relax or permit deviations from these rules.
- (e) These rules may be amended by the Commission from time to time in accordance with the provisions of the Administrative Procedure Act (1 C.M.C. 9101 et seq.)
- (f) Whenever any provision of these rules requires that an act or event occur on a specified day or date, and such day or date falls upon Saturday, Sunday or legal holiday, such provision shall be construed to refer to the next business day immediately following such day or date.
- (g) Pursuant to Section 124 (i) (k), the Commission may authorize the temporary adoption, amendment or repeal of any rule concerning the conduct of gaming or the use or design of gaming equipment for an experimental period not to exceed 90 days, for the purpose of determining whether such rules should be adopted on a permanent basis. Any interested person may file a petition for temporary rulemaking with the Commission in accordance with Commission regulations at 2:6.1 et seq.

10-1.3 Words and terms; tense, number and gender

- (a) In construing the provisions of these rules and regulations, except when otherwise plainly declared or clearly apparent from the context:
 - 1. Words in the present tense shall include the future tense.
 - 2. Words in the masculine shall include the feminine and neuter genders.
 - 3. Words in the singular shall include the plural and the plural shall include the singular.

10-1.4 Severability and preemption

- (a) If any clause, sentence, subparagraph, paragraph, subsection, section, chapter or other portion of these rules or the application thereof to any person or circumstance shall be held to be invalid, such holding shall not affect, impair or invalidate the remainder of these rules or the application of such portion held invalid to any other person or circumstances, but shall be confined in its operation to the clause, sentence, subparagraph, paragraph, subsection, section, chapter or other portion thereof directly involved in such holding or to the person or circumstance therein involved.
- (b) The Commission shall have exclusive jurisdiction over all matters delegated to it or within the scope of its powers under the provisions of the Act and these rules.

10-1.5 Practice where regulations do not govern

In any matter not governed by these rules and regulations, the Commission shall exercise its discretion so as to carry out the purposes of the Act.

SUBCHAPTER 2. ORGANIZATION AND OPERATION OF THE COMMISSION

10-2.1 Organization

- (a) The Commission consists of five members appointed by the Mayor with the advice and consent of the Municipal Council.
- (b) The officers of the Commission shall include a Chair and a Vice-Chairman who shall be members of the Commission, and an Executive Director who shall not be a member of the Commission.
 - 1. The Chairman shall be elected biannually at the organizational meeting of the Commission by a majority of the full Commission. The Chairman, as chief executive officer of the Commission, shall schedule and preside at all meetings of the Commission; shall appoint the members of the Commission to such committees as the Commission may, from time to time, establish; shall have the authority to accept for filing all applications; shall have the authority to incur on behalf of the Commission such expenses as the Commission shall have approved in its operating budget; shall have general supervision, direction and control of the affairs of the Commission; and shall perform such other duties as are incidental to the office and as may be assigned, from time to time, by the Commission.
 - 2. The Vice-Chair shall be elected biannually at the organizational meeting of the Commission by a majority of the full Commission. The Vice-Chair shall be a member of the

Commission other than the Chair. He or she shall possess such powers and shall perform such duties as may be assigned, from time to time, by the Commission. In the absence or inability of the Chair to serve or in the event of a vacancy in the office of Chair, the Vice-Chair shall be empowered to carry out all of the responsibilities of the Chair until such time as the Commission elects a new chair.

10-2.2 Meetings

- (a) Regular meetings of the Commission shall be held at least once per month on such dates and at such times and places as the Commission shall establish.
- (b) Special meetings of the Commission will be held from time to time on such dates and at such times and places as the Commission may deem convenient. Special meetings of the Commission may be called at the discretion of the Chair; but the Chair shall call a special meeting at the request of any three members of the Commission.
- (c) The organizational meeting of the Commission shall be the first meeting of the Commission in January of every other year.
- (d) The Commission may prepare an agenda describing the order of business for public meetings, which agenda shall include, but not be limited to:
 - 1. Call to order;
 - 2. Roll call;
 - 3. Adoption of agenda;
 - 4. Adoption of minutes;
 - 5. Consideration of applications for licenses;
 - 6. Consideration of complaints against licensees;
 - 7. Consideration of petitions for Commission action or approval;
 - 8. Chairman's report;
 - 9. Committee reports;
 - 10. Executive director's report;
 - 11. Old business;
 - 12. New business;
 - 13. Questions and comments from the public;
 - 14. Adjournment.
- (e) Where not inconsistent with either the Act or internal policies developed by the Commission, Robert Rules of order shall govern any procedural matters before the Commission or its committees.

10-2.3 Quorum; votes

- (a) A majority of the full Commission shall constitute a quorum at any meeting of the Commission.

- (b) The vote on any matter before the Commission shall be taken in a manner to be determined by the Commission. The names of the members voting for or against or abstaining shall be entered in the minutes of the meeting.

10-2.4 Resolutions and minutes

- (a) The records of the Commission shall include a minute book and a resolution book. The vote on any matter before the Commission shall be set forth in the minutes in accordance with the requirements of (b) below. If the Commission determines to memorialize the vote on a particular matter by the preparation of a formal resolution, the resolution shall be prepared in accordance with the requirements of (c) below and shall be recorded in the resolution book.
- (b) Every vote of the Commission recorded in the minutes shall include the following information:
 - 1. The substance of the matter considered;
 - 2. The vote of the Commission, including the names of any Commissioners dissenting or abstaining;
 - 3. If appropriate, reference to the existence of a formal resolution concerning the matter; and
 - 4. Certification by the Executive Director.
- (c) Every formal resolution of the Commission shall include the following information:
 - 1. A concise statement of the issues presented and the relevant procedural history;
 - 2. The precise statutory authority for the action taken;
 - 3. A precise statement of the action taken by the Commission, including any terms or conditions attached thereto; and
 - 4. Certification by the Executive Director.

SUBCHAPTER 3. INFORMATION AND FILINGS

10-3.1 Offices; hours

- (a) The main offices of the Commission are located at:

P.O. Box 143
San Jose Village
Tinian, M.P. 96952
- (b) The offices of the Commission are open for the filing of papers and for other business (except for public inspection of documents) from 7:30 A.M. to 4:30 P.M., Monday through Friday, unless otherwise authorized by the Commission. The offices of the Commission are open for public

inspection of documents from 10:00 A.M. to 4:00 P.M., Monday through Friday, unless otherwise authorized by the Commission. The offices of the Commission are closed on legal holidays authorized by the Commonwealth government.

10-3.2 Official records; fees for copies

- (a) No original official record of the Commission shall be released from the custody of the Commission except upon express direction of the Chairman or upon the order of a court of competent jurisdiction.
- (b) Copies of the official records of the Commission which are required by law to be made available for public inspection will be made available during the hours provided for in 10-3.1, upon the payment of appropriate fees.
- (c) No person shall, directly or indirectly, procure or attempt to procure from the records of the Commission or from other sources, information of any kind which is not made available by proper authority.
- (d) No application, petition, notice, report, document or other paper will be accepted for filing by the Commission and no request for copies of any forms, pamphlets, records, documents, or other papers will be granted by the Commission, unless such papers or requests are accompanied by the required fees, charges, or deposits.
- (e) Copies of official records of the Commission which are required by law to be made available for public inspection shall be made available according to the following fee schedule:

All pages \$0.10 per page

Commission will make available copies of the Rules, Regulations and any other pertinent document at a fee to be determined.

- (f) All checks for payment of fees, deposits and charges shall be made payable to the order of the "Tinian Municipal Treasurer" and delivered or mailed to the main office of the Commission.

10-3.3 Communications; notices

- (a) Except as otherwise provided at 10-3.2, all papers, process or correspondence relating to the Commission should be addressed to or served upon the Tinian Casino Gaming Control Commission at the Commission's main office.
- (b) All such papers, process or correspondence shall be deemed to have been received or served when delivered to the main office of the Commission but a Commissioner or such individual members of the Commission's staff as the Chair may designate, may in his or her discretion receive papers or correspondence or accept service of process.
- (c) Except as otherwise provided by law, notices and other communications from the Commission will be sent to an applicant or licensee by ordinary

mail at the address shown in the application or license. Notices shall be deemed to have been served upon their deposit, postage prepaid, in the United States mails, and the time specified in any such notice shall commence to run from the date of such mailing. Any applicant or licensee who desires to have notices or other communications mailed to an address other than that specified in the application or license shall file with the Commission a specific request for that purpose, and notices and other communications will, in such case, be sent to the applicant or licensee at such address. An applicant or licensee will be addressed under the name or style designated in the application or license, and separate notices or communication will not be sent to individuals named in such application or license unless a specific request for that purpose is filed with the Commission. In the absence of such a specific request, a notice addressed under the name or style designated in the application or license shall be deemed to be notice to all individuals named in such application or license. Applicants and licensees shall immediately notify the Commission of any change of address, and shall specifically request that all notices or other communications be sent to the new address.

10-3.4 Public information office

- (a) Requests for information regarding the Tinian Casino Gaming Control Commission may be directed to:
Division of Public Affairs
P.O. Box 143
San Jose Village
Tinian, M.P. 96952
- (b) Any person may, upon payment of the appropriate fee pursuant to Commission regulations at 10-3.2 (e), obtain a copy of the Monthly Statements, Quarterly Reports and Annual Reports to the Commission from each casino licensee to be determined by the Commission. Copies of the Commission's Annual Report are available to the public at no charge. Such requests should be directed to the address in (a) above.
- (c) Access to information and data furnished to or obtained by the Commission or Division from any source is subject to the provisions of 10-4.3.

10-3.5 Filing of petitions and applications

- (a) Petitions for formal action by the Commission should be mailed to:
Tinian Casino Gaming Control Commission
Executive Director
P.O. Box 143
San Jose Village
Tinian, M.P. 96952

10-3.6 Petitions for rulemaking

- (a) Any interested person may file a petition with the Commission for the adoption, amendment or repeal of any rule, pursuant to Commission

regulations at 2-6.1. Such petition shall be in writing, be signed by the petitioner, and include the following information:

1. The name and address of the petitioner;
 2. The substance or nature of the requested rulemaking;
 3. The reasons for the request;
 4. The specific legal rights, duties, obligations, privileges, benefits or other specific legal relations of the interested person which are affected by the requested rulemaking; and
 5. Reference to the statutory authority under which the Commission may take the requested action.
- (b) Any document submitted to the Commission which is not in substantial compliance with this section shall not be deemed to be a petition for rulemaking requiring further action. Such document shall be returned to the petitioner with instructions as to the steps necessary to correct any defects or omissions in accordance with this section.
- (c) A petition for rulemaking shall be scheduled for consideration at a regularly scheduled public meeting of the Commission. The petitioner shall be given an opportunity to make a statement in support of the requested rulemaking.
- (d) Within 60 days of receipt of a petition which is in compliance with this section, the Commission shall mail to the petitioner a notice of action on the petition which shall include the nature or substance of the Commission's action upon the petition and a brief statement of reasons for the Commission's actions.
- (e) Commission action on a petition for rulemaking may include:
1. Denial of the petition;
 2. Filing a notice of proposed rule; or
 3. Referral of the matter for further deliberations, the nature of which will be specified and which will conclude upon a specified date. The results of these further deliberations shall be mailed to the petitioner.

SUBCHAPTER 4 CONFIDENTIAL INFORMATION

10-4.1 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise.

- a) *Authorized Personnel* means any member or employee of the Tinian Casino Gaming Control Commission
- b) *Confidential Information* means any information of data, furnished to or obtained by the Commission from a source, which is considered confidential pursuant to the applicable statutory provision, judicial decision or rule of court.

- c) *Secure Storage Facility* means any area room, furniture, equipment, machinery or other device used by the Commission for the storage of confidential information, access to which is limited to authorized personnel at all times by lock, alarms, codes or other appropriate security precautions.

10-4.2 Determination of confidential status

- (a) All information and data furnished to or obtained by the Commission which relates to the internal controls, or to the earnings or revenue of any applicant, or licensee, or which pertains to an applicant's criminal record, family or background, shall not be released or disclosed to any person except in accordance with the provisions of this subchapter.
- (b) Any question concerning whether or not a specific item of information or data within the possession of the Commission is deemed to be confidential information, or any other applicable statutory provision, judicial decision or rule of court, shall be submitted to the Commission or its designee for determination or referral to appropriate authorities.

10-4.3 Access

Access to confidential information within the possession of the Commission shall be restricted to authorized personnel who require such information in the performance of their official duties.

10-4.4 Retention in secure storage facilities; access

- (a) Confidential information which is not presently being utilized by authorized personnel shall be stored in secure storage facilities designated for such purposes by the Commission. No one except authorized personnel may gain access to designated secure storage facilities except in accordance with the provisions of that subchapter.
- (b) All Commission offices in which secure storage facilities are located shall be protected from unauthorized intrusions at all times. Proper security precautions during non-business hours may include the use of alarm or security guard systems.
- (c) Every secure storage facility shall be placed under the direct supervision and control of an appropriate supervisor who shall periodically review for their effectiveness all security procedures and precautions pertaining to the confidential information stored therein. Security procedures and precautions that are determined to be ineffective shall be immediately corrected.
- (d) Confidential information may be stored in secure facilities on micrographics, hard copy (paper), magnetic media or any other suitable medium, provided adequate security measures are maintained to prevent unauthorized access to or use of such information.
 - 1. Access to confidential information stored on computer or magnetic media shall be restricted to authorized personnel who have

obtained the required operating key, code manual or access code from the appropriate supervisor. Operating keys, code manuals and access codes shall be limited in number and shall be controlled by the appropriate supervisor.

10-4.5 Temporary custody by authorized personnel

- (a) Authorized personnel shall not remove confidential information from designated secure storage facilities unless such removal is necessary to the fulfillment of their official Commission duties. Confidential information which is not presently being utilized by authorized personnel shall be promptly returned to the secure storage facility.
- (b) A record shall be maintained on all confidential information which is removed from secure storage facilities other than those which utilize computer or magnetic media. This record shall include:
 - 1. The name of the person removing the information:
 - 2. The name of the person for whom the information is being obtained:
 - 3. The date of removal:
 - 4. A brief description of the information removed or the number of the file which has been removed; and
 - 5. The date the information is returned.
- (c) Confidential information shall not be removed from the offices of the Commission without the prior approval of an appropriate supervisor. Such approval shall only be granted where removal of the confidential information is necessary to the performance of the official duties of authorized personnel pursuant to 10-4.8 (a).
- (d) The integrity of confidential information in the possession of authorized personnel shall be preserved at all times. It shall be the personal responsibility of any individual granted temporary custody of confidential information to insure that the information is not shown, released or disclosed to any unauthorized person or to any otherwise authorized person who does not require such information in the performance of their official duties. Confidential information temporarily stored outside designated secure storage facilities shall be maintained in a locked desk or filing cabinet, or protected by other appropriate security precautions.

10-4.6 Copies

A hard copy of confidential information stored on computer or magnetic media, or any other copy of confidential information within the possession of the Commission, shall only be made where absolutely necessary to the administration of the Act, or where an authorized release of the confidential information is made pursuant to this subchapter.

10-4.7 Retention schedule and storage destruction

- (a) The Commission shall establish and maintain a records retention schedule for all confidential information within their possession.
- (b) any confidential information in the possession of the Commission shall be promptly destroyed in accordance with the provisions of the applicable records retention schedule required by (a) above.

10-4.8 Release; notice

- (a) Confidential information within the possession of the Commission shall not be released or disclosed in whole or in part to any person, except:
 - 1. In the course of the necessary administration of the Act; or
 - 2. Upon lawful order of a court of competent jurisdiction; or
 - 3. Upon presentation of proper identification, to the applicant, registrant or licensee who furnished the confidential information to the Commission; or
 - 4. Upon presentation of a duly executed and notarized release authorization by the applicant, or licensee who furnished the confidential information, to any person making a written request for specifically identified confidential information.
- (b) If confidential information is released or otherwise disclosed to any person under any circumstances other than those identified in (a)4 and (5) above, written notice of such release or disclosure shall be given to any applicant or licensee affected, unless notice would otherwise imperil the integrity of casino operations. To the extent known, the notice shall include:
 - 1. The name and address of the person to whom the information was released or disclosed;
 - 2. A description of the information released or disclosed; and
 - 3. The date of the release or disclosure.
- (c) Whenever possible, any such notice of confidential information to be released or disclosed shall be given prior to the release or disclosure.

10-4.9 Penalties

- (a) Any direct or indirect willful disclosure of confidential information by authorized personnel of the Commission except as provided herein, shall be a violation of the Commission's Code of Ethics and these regulations.
- (b) The unauthorized release or disclosure of confidential information shall also be a violation.

- (c) Any violation of the provisions of this subchapter by authorized personnel may result in appropriate disciplinary action being taken by the Commission.

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 regulations governing casino service industries for gaming applications and licenses to be utilized by the Commission under the Tinian Casino Gaming Act of 1989.

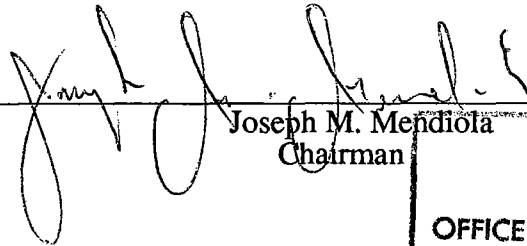
The Commission hereby advises the general public that the Rules and Regulations are available at the Commission Office, P.O. Box 143, San Jose Village, Tinian, M.P. 96952.

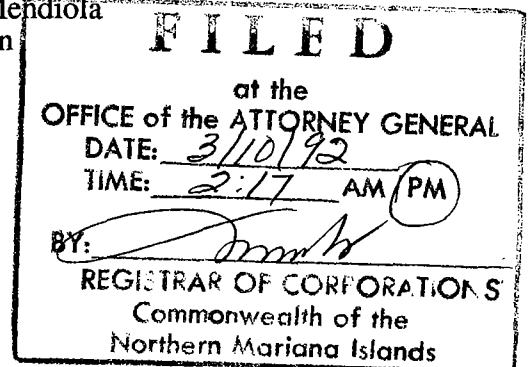
These rules and regulations shall be effective upon notice of their adoption as provided by the Commonwealth Administrative Procedure Act.

Dated this 21 day of February, 1992.

TINIAN CASINO GAMING CONTROL COMMISSION

BY:


Joseph M. Mendiola
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 pupbliku 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 na regulasion yan i punto siha i Commission para u-usa gi para i ginagagao pot sidbisio para i casino na industria pot i aplikantin huego (casin) yan lisensia siha gi papa i Tinian Casino Gaming Control Act 1989 yan todo inekkungok siha ni manginagagao.

I Commission ha-abibisa i pupbliku 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 21 na haane gi February, 1992.

TINIAN CASINO GAMING CONTROL COMMISSION

BY: _____

Joseph M. Mendiola
Joseph M. Mendiola
Chairman

FILED
at the OFFICE of the ATTORNEY GENERAL
DATE: <u>3/10/92</u>
TIME: <u>2:17</u> AM (PM)
BY: <i>[Signature]</i>
REGISTRAR OF CORPORATIONS Commonwealth of the Northern Mariana Islands



TINIAN CASINO GAMING CONTROL COMMISSION

Municipality of Tinian and Aguiguan
Commonwealth of the Northern Mariana Islands

Commissioners:

Joseph M. Mendiola
Chairman

Jose P. Cruz
Vice Chairman

Raynaldo M. Cing
Lino V. Lizama
Freddy U. Hofschneider

William M. Cing
Executive Director

Francis X. Lame Bull, ESQ
Legal Counsel

Fredric E. Gushin ESQ
Gaming Consultant

Jerry C. Gatch, CPA
Consultant (Special Advisor)

CERTIFICATION

I, Allen M. Perez, Acting Executive Director of the Tinian Casino Gaming Control Commission of San Jose, Tinian, which is promulgating the Rules Regarding Casino Service Industries herein set forth, by signature below hereby certify that such Rules are a true, complete and correct copy of the Rules Regarding Casino Service Industries formally adopted by the Tinian Casino Gaming Control Commission.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 21 day of February, 1992, at Tinian, Commonwealth of the Northern Mariana Islands.

Allen M. Perez
Acting Executive Director

FILED
at the
OFFICE of the ATTORNEY GENERAL
DATE: <u>3/10/92</u>
TIME: <u>2:17</u> AM/PM
BY:
REGISTRAR OF CORPORATIONS Commonwealth of the Northern Mariana Islands

TINIAN CASINO GAMING CONTROL COMMISSION RESOLUTION
CASINO SERVICE INDUSTRIES

Resolution No. 92-15

WHEREAS, the people of the Second Senatorial District, in the exercise of a fundamental constitutional right, enacted the Tinian Casino Gaming Control Act of 1989 pursuant to Articles XXI and IX of the Commonwealth Constitution; and

WHEREAS, the Tinian Casino Gaming Control Commission, an autonomous local governmental entity, was created pursuant to the Tinian Casino Gaming Control Act of 1989, by Local Initiative, which was approved overwhelmingly by the voters of the Second Senatorial District on November 4, 1989; and

WHEREAS, pursuant to the Tinian Casino Gaming Control Act of 1989, the Tinian Casino Gaming Control Commission is vested with the power and authority to establish, regulate, set standards for casino operations, solicit and select suitable qualified applicants/operators, and enact and enforce rules and regulations to carry out the intent and purpose of the Tinian Casino Gaming Control Act of 1989; and


WHEREAS, the Tinian Casino Gaming Control Commission deems it necessary and appropriate to achieve these purposes has adopted for publication regulations relating to casino service industries which shall be published in the Commonwealth Registrar during the month of March, 1992, and

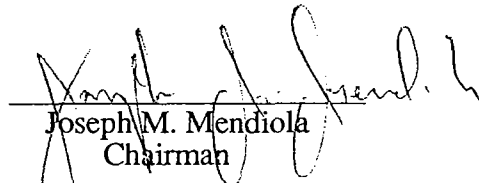
NOW, THEREFORE, BE IT RESOLVED, that the Tinian Casino Gaming Control Commission does hereby tentatively adopt the attached service industry regulations which shall be published for comment in the Commonwealth Registrar during the month of March, 1992.

CERTIFICATION

This Resolution was duly adopted by a vote of 5 for and 0 against at a duly convened meeting of the Commission, with a quorum being present, on this 21st day of February, 1992.

ATTEST


Allen M. Perez
Acting Executive Director


Joseph M. Mendiola
Chairman

CHAPTER 3
CASINO SERVICE INDUSTRY

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SUBCHAPTER 1. GENERAL PROVISIONS

3-1.1 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise.

"Gaming equipment" means any mechanical, electrical or electronic contrivance or machine used in connection with gaming or any game and includes, without limitation, roulette wheels, roulette tables, big six wheels, craps tables, tables for card games, layouts, slot machines, cards, dice, chips, plaques, card dealing shoes, drop boxes, and other devices, machines, equipment, items or articles determined by the Commission to be so utilized in gaming as to require licensing of the manufacturers, distributors or services or as to require Commission approval in order to contribute to the integrity of the gaming industry.

"Gaming equipment distributor" means any person who distributes, sells, supplies or markets gaming equipment.

"Gaming equipment industry" means gaming equipment manufacturers, produces or assembles gaming equipment.

"Gaming equipment manufacturer" means any person who manufactures, gaming equipment distributors and gaming equipment servicers.

"Gaming equipment servicer" means any person who maintains, services or repairs gaming equipment.

"*Sales representative*" means any person owning an interest in, employed by or representing a casino service industry enterprise licensed in accordance with sections 47 (1) (a) and (b) of the Act, who solicits the goods and services or business thereof.

"*Security business*" or "*casino security service*" means any non-governmental enterprise providing physical security services to a casino, a casino licensee, to an approved hotel or to any premises located within a casino hotel complex.

3-1.2 License requirements

- (a) Except as otherwise provided for herein, no enterprise shall provide goods or services directly related to casino or gaming activity to , or otherwise transact business directly related to casino or gaming activity with, a casino applicant or licensee, its employees or agents unless licensed in accordance with Sections 47 (1) (a) and (b) of the Act; provided; however, that upon a showing of good cause by a casino applicant or licensee for each business transaction, the Commission may permit an applicant for a casino service industry license to conduct business transactions with such casino applicant or licensee prior to the licensure of the casino service industry license applicant.
1. The following enterprises shall be required to be licensed as casino service industry enterprises in accordance with Sections 47 (1) (a) and (b) of the Act;
 - i. Any form of enterprise which manufactures, supplies or distributes devices, machines, equipment, items or articles specifically designed for use in the operation of a casino or needed to conduct a game including, but not limited to, roulette wheels, roulette tables, big six wheels, craps tables, tables for card games, layouts, slot machines, cards, dice, gaming chips, gaming plaques, slot tokens, card dealing shoes and drop boxes; and
 - ii. Any form of enterprise which provides maintenance, service or repair pertaining to devices, machines, equipment, items, or articles specifically designed for use in the operation of a casino or needed to conduct a game; and
 - iii. Any form of enterprise which provides service directly related to the operation, regulation or management of a casino including, but not limited to, gaming schools teaching gaming and either playing or dealing techniques, casino security enterprises, casino credit collection enterprises; and
 - iv. Any form of enterprise which provides such other goods or services determined by the Commission to be so utilized in or incident to gaming or casino activity as to require licensing in order to contribute to the integrity of the gaming industry in Tinian.
- (b) Unless otherwise licensed in accordance with (a) above, no enterprise shall, on a regular or continuing basis, provide goods or services regarding the realty, construction, maintenance, or business of a proposed or existing

casino hotel or related facility to a casino applicant or licensee, its employees or agents unless such enterprise is licensed or exempted in accordance with Section 47 (3) of the Act. In determining whether an enterprise is subject to the requirements of this subsection, it shall not matter whether the casino applicant or licensee is a party to any agreement pursuant to which said goods or services are being provided. Enterprises subject to the provisions of this subsection shall include, without limitation, suppliers of alcoholic beverages, food and nonalcoholic beverages, garbage handlers, vending machine providers, linen suppliers, maintenance companies, shop-keepers located within the approved hotel, limousine services and construction companies contracting with casino applicants or licensees or their employees or agents.

(c) In determining if a person or enterprise does or will, on a regular or continuing basis, provide goods or services regarding the realty, construction, maintenance, or business of a proposed or existing casino hotel or related facility to casino applicants or licensees, their employees or agents, the following factors shall be considered:

1. Number of transactions;
2. Frequency of transactions;
3. Dollar amounts of transactions;
4. Nature of goods or services provided or business transacted;
5. Maximum potential period of time necessary to fully provide the goods, perform the services or complete the business which is the subject of the transaction;
6. The recommendation of the Executive Director or his designee;
7. The public interest and the policies established by the Act.

(d) Notwithstanding the provisions of (c) above, persons and enterprises which provide, or imminently will provide, goods or services regarding realty, construction, maintenance, or business of a proposed or existing casino hotel or related facility to casino applicants or licensees, their employees or agents shall, unless otherwise determined by the Commission, be deemed to be transacting such business on a regular or continuing basis if:

1. The total dollar amount of such transactions with a single casino applicant or licensee, its employees or agents, is or will be equal to or greater than \$75,000 within any 12-month period; or
2. The total dollar amount of such transactions with casino applicants or licensees, their employees or agents, is or will be equal to or greater than \$150,000 within any 12-month period.

(e) The word "transaction", for the purpose of this section, shall be construed to effectuate the public interest and the policies of the Act.

3-1.3 Standards for qualification

- (a) The general rules relating to casino service industry standards for qualification are set forth in Commission regulations at 1-4.2 (A) and (B) and these standards are incorporated by reference herein.
- (b) Each applicant required to be licensed as a casino service industry in accordance with Sections 47 (1) (a) and (b) of the Act, including gaming schools, shall, prior to the issuance of any casino service industry license, produce such information, documentation and assurances to establish by clear and convincing evidence:
 - 1. The financial stability, integrity and responsibility of the applicant;
 - 2. The applicant's good character, honesty, and integrity;
 - 3. That the applicant, either himself or through his employees, has sufficient business ability and experience to establish, operate and maintain his enterprise with reasonable prospects for successful operation;
 - 4. That all owners, management and supervisory personnel, principal employees and sales representatives qualify under the standards established for qualification of a casino key employee under Section 34 of the Act;
 - 5. The integrity of all financial backers, investors, mortgagees, bondholders, and holders of indentures, notes or other evidences of indebtedness, either in effect or proposed, which bears any relationship to the enterprise; and
 - 6. The integrity of all officers, directors, and trustees of the applicant.
- (c) Each applicant required to be licensed as a casino service industry in accordance with Section 47 (3) of the Act shall, prior to the issuance of any casino service industry license, produce such information and documentation, including without limitation as to the generality of the foregoing its financial books and records, and assurances to establish by clear and convincing evidence its good character, honesty and integrity.
- (d) Any enterprise directed to file an application for a casino service industry license pursuant to Section 47 (3) of the Act may request permission from the Commission to submit a modified form of such application. The Commission, in its discretion, may permit such modification if the enterprise can demonstrate to the Commission's satisfaction that securities issued by it are listed, or are approved for listing upon notice of issuance, on the New York Stock Exchange or the American Stock Exchange or any other major foreign Stock Exchange.
- (e) Any modifications of a casino service industry license application permitted pursuant to this section may be in any form deemed appropriate by the Commission except that every such application shall include the following:

1. The appropriate Personal History Disclosure Forms for all those individuals required to so file by the Commission; and
 2. Copies of all filings required by the United States Securities and Exchange Commission including all 10K's, 10Q's, 8K's, proxy statements and quarterly reports issued by the applicant during the two immediately preceding fiscal years or reports filed pursuant to the requirements of another regulatory body dealing with securities; and
 3. Properly executed Consents to Inspections, Searches and Seizures; Waivers of Liability for Disclosures of Information and Consents to Examination of Accounts and Records in forms as prescribed by the Commission; and
 4. Payment of the appropriate casino service industry license fee; and
 5. Any other information or documentation required at any time by the Commission.
- (f) Casino service industries already licensed in major gaming jurisdictions including but not limited to New Jersey, Nevada and various provinces in Australia shall be presumed to qualify for licensure in Tinian. This presumption can be rebutted by clear and convincing evidence and shall not negate the need to file an application form by the service industry or any of its qualifiers.

3-1.4 Persons required to be qualified

The general rules relating to the persons required to be qualified prior to the issuance of a casino service industry license are set forth in Commission regulations at 1-3.2.

3-1.5 Disqualification criteria

A casino service industry license may be denied to any applicant who has failed to prove by clear and convincing evidence that he or any of the persons required to be qualified, are in fact qualified in accordance with the act and with the provisions of these rules and regulations, or who has violated any of the provisions of the Casino Control Act or these rules and regulations or who is disqualified under any of the criteria set forth in Section 1-4.2 (B) of the Commission regulations.

3-1.6 Competition

The Commission shall have the power and the duty to regulate, control and prevent economic concentration in casino operations and in casino service industries so as to encourage and preserve competition.

3-1.7 Investigations; supplementary information

The Commission within its discretion may make such inquiry or investigation concerning an applicant, licensee or any person involved with an applicant or licensee as it may deem appropriate either at the time of the initial application and

licensure or at any time thereafter. It shall be the continuing duty of all applicants and licensees to provide full cooperation to the Commission in the conduct of such inquiry or investigation and to provide any supplementary information requested by the Commission.

3-1.8 Duration of licenses

- (a) Licensure pursuant to Section 47 (1) (a) and (b) of the Act is granted for a term of two years. Licensure pursuant to Section 47 (3) is granted for three years. An application for renewal of a license shall be filed no later than 120 days prior to the expiration of that license. The application for renewal of a license shall be accompanied by the prescribed fee and need contain only that information which represents or reflects changes, deletions, additions or modifications to the information previously filed with the Commission.
- (b) A change in any item that was a condition of the original license or of a license renewal must be approved by the Commission. A change in ownership shall invalidate any approval previously given by the Commission. The proposed new owner shall be required to submit an application for licensure and evidence that he is qualified for licensure.

3-1.9 Record keeping

- (a) All casino service industry licensees shall maintain in a place secure from theft, loss or destruction, adequate records of business operations which shall be made available to the Commission upon request. These records shall include:
 - 1. All correspondence with the Commission and other governmental agencies on the local, State and National level;
 - 2. All correspondence concerning the realty, construction, maintenance, or business of a proposed or existing casino hotel or related facility.
 - 3. Copies of all promotional material and advertising;
 - 4. A personnel file on each employee or agent of the licensee, including sales representatives;
 - 5. Financial records of all transactions concerning the realty, construction, maintenance, or business of a proposed or existing casino hotel or related facility.
- (b) The records listed in (a) above shall be held for at least seven years.

3-1.10 Causes for suspension, failure to renew or revocation of a license

- (a) Any of the following shall be cause for suspension, refusal to renew or revocation of a casino service industry license, although suspension, refusal to renew or revocation may be made for sufficient cause other than those listed:
 - 1. Violation of any provision of the Tinian Casino Gaming Control Act of 1989 or these rules and regulations;

2. Conduct which would disqualify the applicant, or any other person required to be qualified, if such person were applying for original licensure;
3. Failure to comply with all applicable Federal, State and local statutes, ordinances and regulations;
4. A material departure from any representation made in the application for licensure.

3-1.11 Fees (reserved)

3-1.12 Exemption

- (a) The general rules relating to exemption of persons or fields of commerce from licensure as casino service industries are set forth in Commission regulations at 1-1.2 (f).
- (b) The Commission may, upon the written request of any person, or upon its own initiative, exempt any person or field of commerce from the casino service industry licensure requirements of Section 47 (3) of the Act, pursuant to Commission regulations at 1-1.2 (f).

3-1.13 Casino service industry licenses

- (a) No casino service industry license shall be issued unless the individual qualifications of each of the following persons shall have first been established in accordance with all provisions, including those cited, of the Act and of the rules of the Commission.

1. In the case of casino service industry licenses issued in accordance with Sections 47 (1) (a) and (b) of the Act:

- i. The enterprise;
- ii. If the enterprise is, or if it is to become a subsidiary, each holding company and each intermediary company which the Commission deems necessary in order to further the purposes of the Act;
- iii. Each owner of the enterprise who directly or indirectly holds any beneficial interest or ownership in excess of ten percent of the enterprise;
- iv. Each owner of a holding company or intermediary company who the Commission deems necessary in order to further the purposes of the Act;
- v. Each director of the enterprise except a director who, in the opinion of the Commission is not significantly involved in or connected with the management or ownership of the enterprise shall not be required to qualify;
- vi. Each officer of the enterprise who is significantly involved in or has authority over the conduct of business directly related to casino or

gaming activity and each officer whom the Commission may consider appropriate for qualification in order to insure the good character, honesty and integrity of the enterprise.

vii. Each officer of a holding company or intermediary company whom the Commission may consider appropriate for qualification in order to insure the good character, honesty and integrity of the enterprise;

viii. The management employee supervising the regional or local office which employs the sales representative who will solicit business or deal directly with a casino licensee;

ix. Each employee who will act as a sales representative or otherwise regularly engage in the solicitation of business from casino licensees;

x. Any other person whom the Commission may consider appropriate for approval or qualification.

2. In the case of casino service industry licenses issued in accordance with Section 47 (3) of the Act:

i. The enterprise;

ii. If the enterprise is, or if it is to become a subsidiary, each holding company and each intermediary company which the Commission deems necessary to qualify or approve in order to further the purposes of the Act;

iii. Each owner of the enterprise who directly or indirectly holds any beneficial interest or ownership in excess of ten percent;

iv. Each owner of a holding company or intermediary company who the Commission deems necessary to qualify or approve in order to further the purpose of the Act;

v. Each director of the enterprise except a director who, in the opinion of the Commission, is not significantly involved in or connected with the management or ownership of the enterprise shall not be required to qualify;

vi. Each officer of the enterprise significantly involved in the conduct of business with a casino licensee and each officer whom the Commission may consider appropriate for qualification in order to insure the good character, honesty and integrity of the enterprise;

vii. Each officer of a holding company or intermediary company whom the Commission may consider appropriate for qualification in order to insure the good character, honesty and integrity of the enterprise;

viii. The management employee supervising the regional or local office which employs the sales representative soliciting business or dealing directly with a casino licensee;

ix. Each employee who will act as a sales representative or otherwise regularly engage in the solicitation of business from casino licensees;

x. Any other person whom the Commission may consider appropriate for approval or qualification.

3-1.14 Master Vendors List

- a) Notwithstanding any other requirement set forth herein, each applicant for a casino license or licensee shall establish a listing of all vendors in which it conducts business irrespective of the amount of business transacted;
- b) This listing shall include, at a minimum, the following information:
 - 1. Name of company or individual, if sole proprietor;
 - 2. Address of company or sole proprietor;
 - 3. Amount of business for the month;
 - 4. Cumulative amount of business
 - 5. If a company, a listing of the officers and stockholders of the company;
 - 6. A listing of those employees involved with the casino applicant or licensee; and
 - 7. Any other information the Commission determines to be necessary to track levels of business.
- c) By no later than the fifth of each month, each casino applicant or licensee shall file with the Commission in either a written format or via computer disk which is compatible with equipment utilized by the Commission its master vendor list with the information set forth in (b) above.
- (d) The Commission may charge a fee to each vendor for placement on the master vendors list.



WORKERS' COMPENSATION COMMISSION

NORTHERN MARIANA ISLANDS RETIREMENT FUND

P.O. BOX 1247

SAIPAN, MP 96950

PHONE: (670) 234-7228 FAX: (670) 234-9624



Notice of Proposed Amendment To The WCC Rules And Regulations

The CNMI Workers' Compensation Commission hereby notifies the general public that it is proposing to amend the WCC Rules and Regulations pursuant to its authority under 4 CMC 9351(a)(1), and the Administrative Procedure Act, at 1 CMC 9101, et. seq.

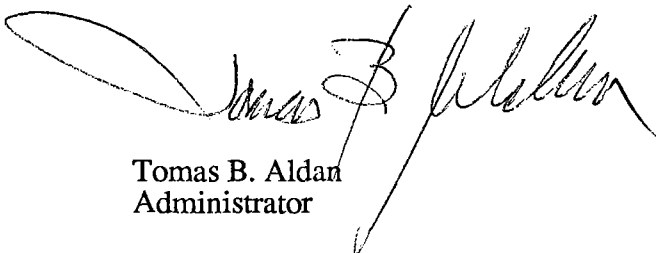
Copies of the proposed amendment are available at the office of the NMI Retirement Fund/Workers' Compensation Commission, First Floor, Nauru Building, Susupe, Saipan, and its representative offices on Tinian and Rota.

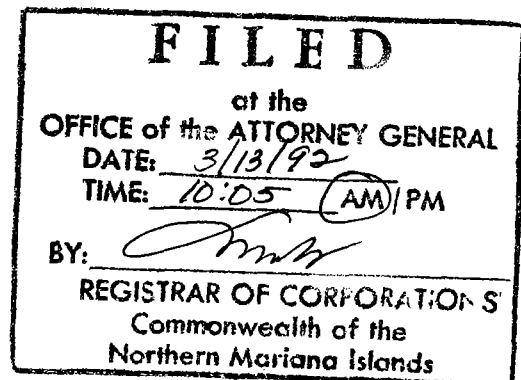
The Commission is urging the public to submit written comments and recommendations with respect to the proposed amendment, within 30 days after publication in the Commonwealth Register, to the following address:

NMI Retirement Fund
P. O. Box 1247
Saipan MP 96950

Dated this 6th day of February, 1992


Crispin A. Taitano
Chairman


Tomas B. Aldan
Administrator





WORKERS' COMPENSATION COMMISSION

NORTHERN MARIANA ISLANDS RETIREMENT FUND

P.O. BOX 1247

SAIPAN, MP 96950

PHONE: (670) 234-7228 FAX: (670) 234-9624



Noticia Pot I Ma Propopone Na Tinilaika Gi Areklamenton I CNMI Workers' Compensation Program

I Comission i CNMI Workers' Compensation sumen magof mannae noticia para i publiko na ha propopone para uma amenda i areklamenton yan regulasion i programan Workers' Compensation sigun gi atoridat i Codikon i Commonwealth gi 4 CMC 9351(a)(1), yan i Administrative Procedure Act, gi 1 CMC 9101, et. seq.

Copian esti na tinilaika guaha gi ofisinan i Retirement Fund gi Nauru Building, Susupe, Saipan, yan lokue giya Tinian yan Luta.

I comission ha sosojo i publiko para ufan satmiti rekomendasion pot ima propopone na tinilaika gi halom 30 dias despues de mapublika gi Commonwealth Register, gi sigente na address:

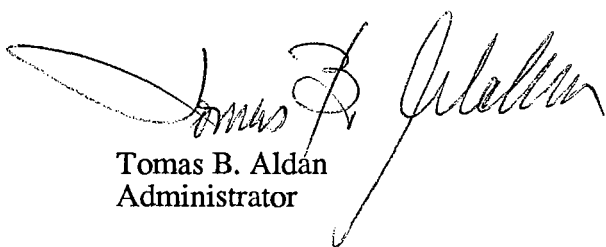
NMI Retirement Fund

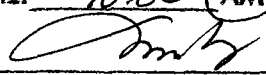
P. O. Box 1247

Saipan MP 96950

Mafecha gi dia 6th de Febrero, 1992


Crispin A. Taitano
Chairman


Tomas B. Aldán
Administrator

FILED
at the
OFFICE of the ATTORNEY GENERAL
DATE: <u>3/13/92</u>
TIME: <u>10:05</u> (AM) PM
BY: 
REGISTRAR OF CORPORATIONS Commonwealth of the Northern Mariana Islands

Proposed Amendments To The WCC Rules and Regulations

The Workers' Compensation Commission proposes to amend the WCC Rules and Regulations governing the CNMI Workers' Compensation Program pursuant to 4 CMC 9351(a)(1), and the Administrative Procedure Act at 1 CMC 9101, et. seq.

1. Authority

Under and by virtue of the authority granted to the Workers' Compensation Commission by 4 CMC 9351(a)(1), the Commission hereby promulgates the following amendments to the WCC Rules and Regulations.

2. Amendment

Section 3.101 of Part 3 of the WCC Rules and Regulations is hereby repealed in its entirety.

3. Amendment

Section 3.102 is hereby designated as Section 3.101; Section 3.103 is hereby designated Section 3.102; and, Section 3.104 is hereby designated Section 3.103.

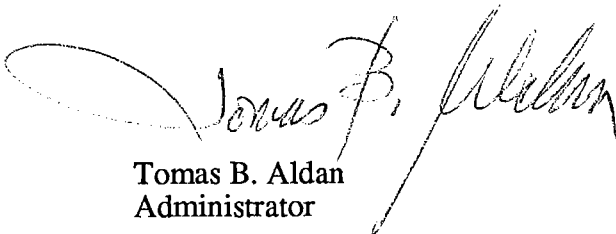
4. Effective Date

This amendment shall be effective in accordance with the Administrative Procedure Act, at 1 CMC 9101, et. seq.

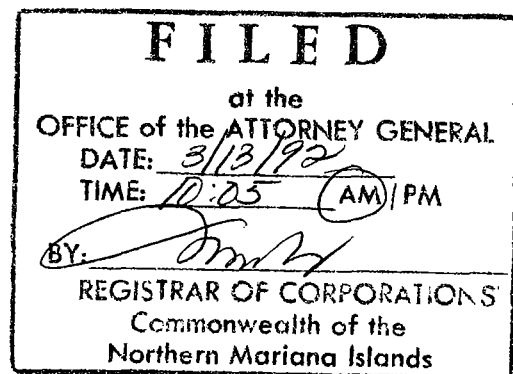
Dated this 6th day of February, 1992.



Crispin A. Taitano
Chairman



Tomas B. Aldan
Administrator





COMMONWEALTH PORTS AUTHORITY

Main Office: SAIPAN INTERNATIONAL AIRPORT
P.O. BOX 1055 • SAIPAN • MP 96950
Phone: (670) 234-8315/6/7 FAX: (670) 234-5962

PUBLIC NOTICE OF PROPOSED ADOPTION OF REVISED AIRPORT RULES AND REGULATIONS

The Commonwealth Ports Authority, pursuant to the authority of 2 CMC § 2122 (j), and in accordance with the provisions of 1 CMC 9104(a), hereby gives notice to the public of its intention to adopt revised Airport Rules and Regulations for the Commonwealth Ports Authority which compile all previously adopted amendments to the original regulations and proposes amendments to the regulations not previously adopted. The proposed revised regulations are published herewith.

All interested persons are requested to submit data, views, or arguments, in writing, concerning the proposed regulations. Written comments must be submitted to the Executive Director, Commonwealth Ports Authority, not later than the close of business thirty (30) calendar days following the date of publication of this Notice.

DATED this 13th day of March, 1992

FILED
at the
OFFICE of the ATTORNEY GENERAL
DATE: 3/13/92
TIME: 10:00 (AM) PM
BY: [Signature]
REGISTRAR OF CORPORATIONS
Commonwealth of the
Northern Mariana Islands

[Signature]
ROMAN T. TUDELA
Executive Director
COMMONWEALTH PORTS AUTHORITY



COMMONWEALTH PORTS AUTHORITY

Main Office: SAIPAN INTERNATIONAL AIRPORT
P.O. BOX 1055 • SAIPAN • MP 96950
Phone: (670) 234-8315/6/7 FAX: (670) 234-5962

NUTISIAN PUPBLIKU PUT I MAPROPONI MA'ADAPTA I MA RIBISA NA AREKLAMENTO YAN REGULASION PARA AIRPORT

I Commonwealth Ports Authority, sigun i aturidad 2 CMC § 2122 (j) yan probension 1 CMC 9104 (a), ginen este ha nutilisia i pupbliku i intension na para u adapta i manmaribisa na Areklamento yan Regulasion Airport para Commonwealth Ports Authority ni esta todo mana'dañ todú i manma'adapta na amendasion guatu gi manhagas na orihinat yan i manmapropo ni siha na amendasion regulasion ni trabiha ti nanma'adapta. I mapropo ni na regulasion siha ma pupblika huyong.

Hayi interesao na petsona siña muna'halom infotmasion, opinion pat atgumento put i mapropo ni na regulasion debi u ma'tuge papa. Todú i manma'tuge' papa na korrieutu u fammasubmiti halom gi Executive Director, Commonwealth Ports Authority, gi halom trenta (30) despues di ma pupblika huyong este na nutisia.

Ma'fecha' guine na dia 13th Matso, 1992

FILED
at the
OFFICE of the ATTORNEY GENERAL
DATE: 3/13/92
TIME: 10:00 (AM) (PM)
BY: [Signature]
REGISTRAR OF CORPORATIONS
Commonwealth of the
Northern Mariana Islands

[Signature]
ROMAN T. TUDELA
Executive Director
COMMONWEALTH PORTS AUTHORITY



COMMONWEALTH PORTS AUTHORITY

Main Office: SAIPAN INTERNATIONAL AIRPORT
P.O. BOX 1055 •SAIPAN•MP 96950
Phone: (670) 234-8315/6/7 FAX: (670) 234-5962

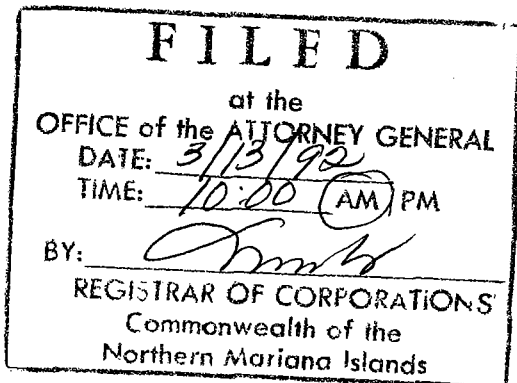
ARONGORONGOL TOWLAP REEL ADOPTION-UL LLIWELIL ALLE'GHLI'L AIRPORT

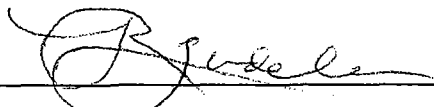
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E ffe'e'r llo'l ra'a'lil ye 13th

mo'tso, 1992




ROMAN T. TUDELA
Executive Director
COMMONWEALTH PORTS AUTHORITY



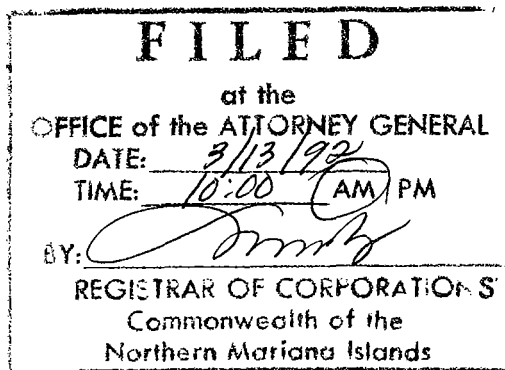
COMMONWEALTH PORTS AUTHORITY

Main Office: SAIPAN INTERNATIONAL AIRPORT
P.O. BOX 1055 • SAIPAN • MP 96950
Phone: (670) 234-8315/6/7 FAX: (670) 234-5962

CERTIFICATION OF RULES AND REGULATIONS REGARDING AIRPORTS

I, ROMAN T. TUDELA, Executive Director of the Commonwealth Ports Authority, which is promulgating Rules and Regulations regarding airports, by signature below, hereby certifies that the Rules and Regulations regarding airports are a true, complete and correct copy of the Rules and Regulations adopted by the Board of Directors of the Commonwealth Ports Authority.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 12th _____ day of March, 1992, at Saipan, Commonwealth of the Northern Mariana Islands.



[Signature]
ROMAN T. TUDELA
Executive Director
Commonwealth Ports Authority

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COMMONWEALTH PORTS AUTHORITY

AIRPORT RULES AND REGULATIONS

PART 1. GENERAL PROVISIONS

1.1 Authority

The following Rules and Regulations are hereby promulgated by the Commonwealth Ports Authority in accordance with 2 CMC § 2122 (j) and shall have the force and effect of law.

1.2 Purpose

The purpose of these Rules and Regulations is to provide for and to insure the orderly, safe, and sanitary operation of airports in the Commonwealth of the Northern Mariana Islands under the jurisdiction and control of the Commonwealth Ports Authority.

1.3 Definitions

The following terms, as used in these Rules and Regulations, shall have the following meanings:

(a) "Aircraft" shall mean and include any and all contrivances, now or hereafter used for the navigation of or flight in air or space, including, but not limited to, airplanes, airships, dirigibles, helicopters, gliders, amphibians, and seaplanes.

(b) "Authority" shall mean the Commonwealth Ports Authority.

(c) "Airport" shall mean all publicly owned airports in the Commonwealth of the Northern Mariana Islands, together with all related facilities. On Saipan this includes Saipan International Airport, formerly known as "Isley Field". On Tinian it shall mean West Tinian International Airport. On Rota it shall mean the Rota International Airport. On Pagan it shall mean the Pagan Airport.

(d) "Executive Director" shall mean the Executive Director of the Authority or his duly authorized representative.

(e) "Federal Aviation Regulations" shall mean the United States' Federal Aviation Regulations, as currently amended and promulgated by the United States Federal Aviation Administration.

(f) "Fuel handling" shall mean the transportation, delivery, fueling, and draining of fuel or fuel waste products.

(g) "Fuel storage area" shall mean and include any portions of the Airport designated temporarily or permanently by the Authority as areas in which gasoline or any other type of fuel may be stored, including but not limited to, gasoline tank farms and bulkheads, piers, or wharves at which fuel is loaded.

(h) "Operational area" shall mean any place on the Airport not leased or demised to anyone for exclusive use, and not a public area, highway, or public vehicular area; but shall include the runways, public taxiways, public ramp and apron areas, public cargo ramp and apron areas, public aircraft parking and storage areas, and fuel storage areas.

(i) "Operational agreement" shall mean an Airline Use Agreement entered into by the Authority and an Aircraft Operator.

(j) "Operator" shall mean the owner of an aircraft or any person who is using an aircraft for the purpose of operation by himself or his agents.

(k) "Permission" or "Permit" shall mean permission granted by the Executive Director unless otherwise herein specifically provided. "Permission" or "Permit" whenever required by these Rules and Regulations shall always mean written permission, except that verbal permission in specific instances may be granted under special circumstances where the obtaining of written permission would not be practicable.

(l) "Person" shall mean any individual, firm, partnership, co-partnership, corporation, trust association, or company (including any assignee, receiver, trustee, or similar representatives thereof) or the United States of America, any State or political subdivision thereof, any foreign government, or the United Nations.

(m) "Airport Rules and Regulations" shall mean these Rules and Regulations and subsequent amendments thereto.

(n) "Public aircraft parking and storage area" shall mean that area of the Airport to be used for public aircraft parking and storage space for the parking and storing of aircraft, or for the servicing of aircraft with fuel, lubricants, and other supplies, or for making emergency repairs to aircraft, or for any or all such purposes.

(o) "Public cargo ramp and apron area" shall mean and include any portions of the Airport designated and made available temporarily or permanently by the Authority for the loading or unloading of passengers, cargo, freight, mail, and supplies, to and from aircraft, and for performing those operations commonly known as "ramp service," and for performing inspections, minor maintenance, and other services upon or in connection with aircraft incidental to performing "ramp service", but shall not mean those areas designated for the storage of cargo, freight, mail, and supplies, nor those areas designated for the purpose of performing fueling and other ramp services, or those areas designated for the purpose of parking operations.

(p) "Public Taxiway" shall mean and include any public taxiways designated for the purpose of the ground movement of aircraft on the Airport.

(q) "Public vehicular parking area" shall mean and include any portion of the Airport designated and made available, temporarily or permanently, by the Authority for the parking of vehicles.

(r) "Runway area" shall mean and include any portion of the paved runway as well as the clear zones and field area to the lateral clearance lines of said runway.

(s) "Vehicles" shall mean and include automobiles, trucks, buses, motorcycles, horse-drawn vehicles, bicycles, push carts, and any other device in or upon or by which any person or property is or may be transported, carried, or drawn upon land, aircraft excluded.

(t) As used herein, the words "ingress" and egress" refer merely to the use of an area, or portion of the Airport, as a means of going from one place to another without undue delay.

1.4 General Rules

(a) All aeronautical activities at the Airport, and all flying of aircraft departing from or arriving at the Airport, shall be conducted in conformity with applicable provisions of the regulations of the Federal Aviation Administration, or any successor agencies.

(b) The owner, operator, pilot, agent, or their duly authorized representatives agree, as a condition of use of the Airport, to release and discharge the Authority, its officers, and its employees of and from any liability for any damage which may be suffered by any aircraft and its equipment, and for any personal injury or death, except where such damage, injury, or death is due solely to the negligence of the Authority.

(c) All persons using any part of the Airport shall be held liable for any property damage caused by carelessness and negligence on or over the Airport, and any aircraft being operated so as to cause such property damage may be retained in the custody of the Authority and the Authority may have a lien on said aircraft until all charges for damages are paid. Any persons liable for such damage agree to indemnify fully and to save and hold harmless the Authority, its directors, its officers, and its employees from claims, liabilities, and causes of action of every kind, character, and nature and from all costs and fees (including attorney's fees) connected therewith, and from the expenses of the investigation thereof.

(d) The pilot or operator of any aircraft involved in an accident causing personal injury or property damage shall, in addition to all other reports required to be made to other agencies, make a complete report concerning said accident to the office of the Executive Director within 24 hours of the accident. When a written report of an accident is required by the Federal Aviation Regulations, a copy of such report may be submitted to the Executive Director in lieu of the report required above.

(e) Subject to compliance with appropriate Federal Aviation Regulations, the aircraft owner shall be responsible for the prompt removal of all disabled aircraft and/or parts of such aircraft at the Airport, as reasonably

directed by the Executive Director. In the event of the owner's failure or refusal to comply with such directions, such disabled aircraft or any and all parts thereof may be removed by the Authority at the owner's expense and without liability for damage which may be incurred as a result of such removal.

(f) The Executive Director shall have the right at any time to close the Airport in its entirety or any portion thereof to air traffic, to delay or restrict any flight or other aircraft, and to deny the use of the Airport or any portion thereof to any specified class of aircraft or to any individual or group when the Executive Director considers any such action to be necessary and desirable to avoid endangering persons or property and to be consistent with the safe and proper operation of the Airport. In the event the Executive Director believes the condition of the Airport to be unsafe for landings or takeoffs, it shall be within his authority to issue, or cause to be issued, a NOTAM (Notice to Airmen) closing the Airport or any portion thereof.

(g) All aircraft landing or taking off at the Airport shall have a properly functioning two-way radio capable of communicating with the Airport communication system.

(h) The Executive Director may require from time to time and may designate, at his or her discretion, appropriate locations for the registration of pilots and aircraft using the Airport, and such pilots shall comply with the requirements of such registration. The payment of rentals, fees, and charges relating to the use of Airport premises and facilities shall be made before takeoff. In lieu of such payment, satisfactory credit arrangements shall be made by the operator of aircraft with the office of the Authority or such office as may be otherwise designated by the Executive Director before the aircraft leaves the Airport.

1.5 Compliance with Rules and Regulations

(a) Any permission granted by the Authority, directly or indirectly, expressly or by implication, to any person or persons, to enter or use the Airport, or any part thereof (including aircraft operators, crew members and passengers, spectators, sightseers, operators of pleasure and commercial vehicles, officers and employees of airlines, and any other persons occupying space on or within the Airport, persons doing business with the Authority, or at the Airport, its lessees, or sublessees and permittees, and any other persons whatsoever) is conditioned upon strict compliance with these Rules and Regulations.

(b) The Executive Director may, upon notice and for cause consisting of repeated or flagrant violation of these Rules and Regulations, terminate the permission or privilege of any person to utilize the Airport, and/or disqualify any such person from bidding or submitting a proposal for any concession or contract to be let by the Authority. Such action shall be in addition to any civil penalties which may be assessed under these Rules and Regulations. Any person affected by the Executive Director's decision to terminate their permission or privilege may petition the Authority for reconsideration. The petition shall set forth a clear statement of the facts and grounds upon which reconsideration is sought. The Authority shall grant the petitioner a public hearing within 30 days after filing the petition and the Authority's decision

shall be publicly released not more than 20 days after the final public hearing held upon the petition.

1.6 Commercial Activity

No person shall carry on any commercial activity whatsoever at the Airport without the written consent of the Executive Director.

1.7 Sightseeing

No person shall conduct sightseeing flights at the Airport, except under a permit from the Executive Director or his duly appointed representative establishing conditions and specifying fees payable to the Airport for such privileges. By "Sightseeing flights" is meant flights on which passengers are carried for hire, and which originate and terminate at the Airport, with no intermediate stops other than emergency stops. Sightseeing passengers shall not be subject to the fees imposed pursuant to Part 12.3 of these Regulations.

1.8 Parking and Storage of Aircraft

Unless otherwise provided by a lease or other contractual agreement, no person shall use any area of the Airport (other than the public aircraft parking and storage areas) for parking and storage of aircraft without the permission of the Executive Director. If, notwithstanding the above prohibition, a person uses such areas for parking or storage as aforesaid, without first obtaining permission, then the Executive Director shall have the authority to order the aircraft removed, or to cause same to be removed and stored, at the expense of the owner or consignee thereof, without responsibility or liability for damages arising therefrom.

1.9 Storage of Cargo, Etc.

Unless otherwise provided by a lease or other contractual agreement, no person shall use any area of the Airport for storage of cargo, equipment or any other property without permission of the Executive Director. If, notwithstanding the above prohibition, a person uses such areas for storage as aforesaid, without first obtaining such permission, then the Executive Director shall have authority to order the cargo or equipment or any other property removed, or to cause the same to be removed and stored, at the expense of the owner or consignee thereof, without responsibility or liability for damages arising therefrom.

1.10 Use of Operational Areas

No person shall use or occupy an operational area for any purpose whatsoever, except for a purpose pertaining to the landing, takeoff operations and servicing of aircraft, airline activities associated with aircraft, or governmental agencies in the performance of their functions or for a purpose connected with the maintenance and operation of the Airport.

1.11 Payment of Charges

(a) No person shall land an aircraft on or take off from Airport, or use an operational area, except upon the payment of such fees and charges as

may from time to time be approved and published by the Authority, unless such person is entitled to use such area under a lease or other contract providing therefor. Except as otherwise provided therein, any operating rights under a lease or contract shall be null and void if the payment of fees and charges for the use of the Airport are more than ninety (90) days in arrears, and any subsequent landing or takeoff of an aircraft from the Airport, or use of an operational area, shall be conditioned upon the payment of such fees and charges at the time of use as provided for in Part 12 hereof.

(b) Except as otherwise specifically provided in an agreement to which the Authority is a party, all fees and charges due to the Authority from any person, arising out of the use and/or occupancy of any Airport, shall be due ten (10) days after the delivery of the Authority's invoice. In the event that the Executive Director finds that a particular airline, concessionaire, tenant, or other airport user is habitually late in the payment of invoices, or in the event a particular invoice is not paid within ten (10) days, the Executive Director may, in his sole judgment, and upon notice to the debtor, shorten the time for the payment of future invoices to and including a requirement for payment upon presentation of the invoice.

1.12 Commercial Photography

No person shall take still, motion, or sound pictures for a commercial purpose, nor shall they transmit any program for commercial purposes on the Airport, without written permission of the Executive Director.

PART 2. OPERATION OF VEHICLES

2.1 Required Licenses

No vehicle shall be operated in or upon a public vehicular parking area, or any road within the Airport, or upon any of the operational areas of the Airport, unless:

(a) The driver thereof is duly authorized to operate such vehicle under the laws of the Commonwealth of the Northern Mariana Islands, except that approved ramp equipment may be operated on the public aircraft area by accredited employees certified by their employer to the Executive Director as qualified to operate such equipment; and

(b) Such vehicle is registered in accordance with the laws of the Commonwealth of the Northern Mariana Islands or is specifically authorized by the Executive Director to be operated on or within the Airport, but not on public highways or parking areas.

2.2 Obeying Signals and Orders

Every person operating a vehicle in or upon a public vehicular parking area, operational area, or any road within the air terminal, must at all times comply with any lawful order, signal, or direction of any authorized representative of the Authority, or of any Airport Security Officer. Whenever traffic is controlled by traffic lights, signs, mechanical or electrical signals, or

pavement markings, all such shall be obeyed unless an authorized Authority representative or Airport Security Officer directs otherwise.

2.3 Speed Limits

All vehicles operated within the Airport shall comply with the speed limits prescribed and posted by the Executive Director. Where no limit is posted, the speed limit in the area shall be twenty-five (25) miles per hour.

2.4 Vehicles Within Operational Areas

No vehicle shall be operated within any Operational Area, except as authorized by the Executive Director, who may require that such vehicles display visible identifying symbols or numbers. The movement of vehicles may be restricted by the Executive Director to specific zones within the Operational Areas.

2.5 Responsibility in Cases of Accidents

In addition to all other requirements of law, the driver of any vehicle involved in an accident within the Airport area which results in injury or death to any person or damage to property, shall make a report to an Airport Security Officer, or police officer assigned to the Airport, within twenty-four (24) hours of such accident.

2.6 Right-of-Way

(a) The driver of a motor vehicle shall, on approaching an intersection, give right-of-way to every vehicle which is approaching to enter said intersection from the main street of entrance or departure to the terminal area whenever traffic is not regulated by traffic signals, signs, or security or police officers.

(b) On approaching a street, intersection, or junction of any road, speed shall be reduced. Likewise, speed shall be reduced on approaching any public conveyance which has stopped to discharge or take on passengers.

2.7 Parking

(a) No person shall park a motor vehicle on the Airport except in an area specifically designated and posted for parking.

(b) No person shall park a motor vehicle in any area on the Airport for a period longer than is prescribed and posted for that space by the Executive Director.

(c) No person shall park a motor vehicle in a restricted or reserved area on the Airport unless such person displays, in the manner prescribed by the Executive Director, a parking permit issued by the Executive Director for that area.

(d) No person shall double park a motor vehicle on the roadways of the Airport.

(e) No person shall abandon a motor vehicle on the Airport. A motor vehicle will be presumed abandoned if it is left parked and unattended for a period greater than forty-eight (48) hours, unless it is parked in a space specifically set aside for parking longer than forty-eight (48) hours. In such event, a motor vehicle shall be presumed abandoned if left unattended for a period twenty-four (24) hours longer than the maximum authorized parking period.

(f) No person shall park a motor vehicle on the Airport, in a space marked for the parking of vehicles, in such a manner so as to occupy a part of another marked space.

(g) No person shall leave a motor vehicle unattended or parked on the Airport with a key in the ignition switch or the motor running, or a key in the door lock, or with a door open.

(h) No person shall park a motor vehicle at any place on the Airport in violation of any sign posted by the Executive Director.

(i) No person shall park a motor vehicle within ten (10) feet of a fire hydrant or in front of a driveway.

(j) Except as otherwise authorized by the Executive Director, no person shall park a motor vehicle for the purposes of cleaning, polishing, or repairing said vehicle except for those minor repairs necessary to remove said vehicle to an authorized area or from the Airport.

(k) Every parked motor vehicle shall be parked, when parallel to the roadway, to its extreme right and at a distance of not more than six (6) inches from the sidewalk or promenade, unless the parking space is otherwise marked. The entrance and exit of passengers shall be on the right-hand side of the vehicle.

2.8 Taxicab Operations and Permits

Before being permitted to load passengers at the Airport, a taxicab shall:

(a) Be currently licensed as a taxicab by the Bureau of Motor Vehicles and driven by a person with a license properly endorsed for the transportation of passengers for hire pursuant to the laws of the Commonwealth of the Northern Mariana Islands.

(b) Have secured from the Executive Director a current written authorization enabling such loading.

(c) Have paid to the Executive Director the appropriate fees, if any, required for said permit.

Taxicabs shall conduct their business at the Airport in a manner and at places to be designated from time to time by the Executive Director by written notice to the permit holders and otherwise in accordance with these Rules and Regulations.

All taxicabs shall be stopped or parked in such manner and in such areas as may be designated from time to time by the Executive Director.

Operators of taxicabs shall load passengers at the Airport only in designated zones as may be from time to time prescribed in writing by the Executive Director.

Only taxicab operators authorized in writing by the Executive Director may solicit taxi fares on the Airport premises; provided, however, that the Executive Director will not issue an exclusive authorization under this subparagraph to any one (1) taxi company or taxi operator; and provided further that solicitation shall be expressly restricted to areas designated by the Executive Director. The term "solicitation" as used in this subparagraph shall be specifically defined to mean the asking of a passenger or other person if he or she desires a taxicab. Upon request, taxicab operators shall courteously inform passengers or other of alternate means of ground transportation, the location, and frequency, if any exists.

Taxicab drivers or any other persons connected therewith shall be specifically prohibited from soliciting taxicab fares on the Airport at places other than those designated by the Executive Director. Cruising of taxicabs is prohibited.

Taxicab permits shall be valid for a period of one (1) year commencing at the beginning of the fiscal year of the Airport, which at the present time commences on October 1. Initial permits granted upon the promulgation of these regulations and any permits granted during a fiscal year shall have the annual fees prorated according to the length of time the permits will remain valid. All permits will expire automatically on September 30 of each year.

Each taxicab company or taxicab operator holding a permit shall pay a monthly fee to the Authority, in advance, of five dollars (\$5.00) per month for each taxicab owned or operated by said permit holder.

Each taxi servicing the Airport must carry the following minimum coverages of insurance:

Liability for bodily injury, including death (limits \$100,000.00 for each person, \$300,000.00 each accident) and for property damage (limit \$50,000.00)

2.9 Permit Required for Vehicle Rental Service

No vehicle rental business or solicitation for such business may be conducted upon or within the Airport unless:

(a) such operation is permitted under the terms of a valid agreement with the Authority, or

(b) such business shall obtain and have in force a written permit issued by the Executive Director, upon such terms and conditions as he shall deem to be in the best interests of the Authority. Such permit shall authorize the permittee only to pick up preconfirmed and prearranged customers, and to drop off customers, but not to solicit customers, at the Airport.

Transportation for such customers shall be by unmarked vehicles, so as not to encourage the solicitation of customers at the Airport. The term "solicitation" as used in this Part shall be specifically defined to mean the asking of a passenger or other person if he or she desires to rent a vehicle. Use of the public vehicular parking area by vehicle rental business operating under the terms of this subsection (b), is strictly prohibited. Such vehicle rental businesses shall not suffer or permit its customers to use such areas to pick up or drop off any rental vehicle, or for the storage of any rental vehicle. Permits issued under this Part 2.9 shall not be exclusive. The Permit fee shall be Three Hundred Dollars (\$300.00) per month, and shall be payable monthly, in advance.

Each vehicle rental business servicing the Airport under Subpart (a) of this Part 2.9 shall carry such insurance coverage for its customers as is provided in its agreement with the Authority. Each vehicle rental business servicing the Airport under subpart (b) of this Part 2.9 shall carry at least the following insurance coverage for its customers:

Liability for bodily injury, including death (limits \$100,000.00 for each person, \$300,000.00 each accident) and for property damage (limit \$50,000.00)

2.10 Group Transportation Permits

No owner or operator of any vehicle carrying passengers for hire, including tour buses or any hotel/motel vehicle carrying hotel guests, shall pick up or unload passengers upon the Airport without a written permit issued by the Executive Director, which permit shall state, among other requirements, those which relate to safety, licensing: traffic regulations, and insurance, and shall prescribe fees and shall state what privileges are granted by the permits issued. Permits issued under this Section will not be exclusive.

A. Bus, or any vehicle with a seating capacity in excess of 25 (Licensed for Hire)

A basic monthly fee of One Hundred and Twenty-five dollars (\$125.00) per vehicle.

B. Bus, Limousine, Stretch-out or any vehicle with a seating capacity of 25 or less (Licensed for Hire)

A basic monthly fee of One Hundred Dollars (\$100.00) per vehicle.

C. Hotel-Motel Vehicles (Owned, Leased, or Operated)

A basic monthly fee of Seventy-five Dollars (\$75.00) per hotel or motel.

D. Time and Place of Payment

1. The monthly permit fees shall be applicable only for the period in which issued and shall be paid to the Executive Director in advance of providing ground transportation services at the Airport.

2. Payments shall be made at the Office of the Executive Director.

2.11 Implementing Rules

(a) Notice of Violation. Any person violating any of the provisions of Parts 2.1 through 2.10, inclusive, shall be given written notice thereof by a duly authorized employee of the Authority.

(b) Same: form of notice. The written notice shall be in a form prescribed by the Executive Director. The form shall be prepared in a duplicate, with the original copy being served upon the violator in the manner provided herein, and the duplicate copy being returned to the Office of the Executive Director.

(c) Same: manner of service. Service of the Notice of Violation shall be served upon the violator as follows: If the violator is physically present at the scene of the violation, the Notice of Violation shall be served upon him personally. If the violator is not so present, service may be effected by leaving the Notice of Violation upon the windshield of the offending vehicle, or alternatively upon any other prominent place upon such vehicle.

(d) Same: who may serve. Persons authorized to serve the Notice of violation provided for herein are the Executive Director, the Airport Manager, any employee of the Department of Public Safety of the Government of the Northern Mariana Islands, and any security officer of the Authority.

(e) Denial of liability. Any person against whom a violation of any of the provision of Parts 2.1 through 2.7, inclusive, is alleged shall have ten (10) days either to deny liability therefor, or to pay the fine as established herein. The Notice of Violation shall state that failure to pay fine assessed within the ten (10) day period may result in collection of said fine through the courts of the Northern Mariana Islands. In the event suit is brought to recover any fine assessed under this Part 2, the offender shall also be liable for court costs and reasonable attorneys fees.

(f) Schedule of fines. The schedule of fines to be assessed for the violation of Parts 2.1-2.10 of these Rules and Regulations shall be as follows:

Part 2.3:	\$50.00
Part 2.1, 2.2, 2.4, 2.5 and 2.6:	\$30.00
Part 2.7:	\$20.00 plus towing and storage charges.
Part 2.8, 2.9, 2.10	\$100.00; and in addition, any found in violation of these Parts may have the privilege to conduct such business at the

Airport terminated pursuant to
Part 1, Section 1.5

(g) Removal of Vehicles. Whenever a vehicle is parked so as to create a blockage or other hazard to the orderly flow of traffic to, in, or from the Airport, or when a vehicle has been abandoned, or when a rental vehicle operating pursuant to Part 2.9 of this Part is parked within the public vehicular parking area, the Executive Director may order the vehicle removed to an authorized parking location, or to the Authority impound lot, if no authorized space can be found at the Airport. All abandoned vehicles shall be taken to the impound lot where the owners may reclaim them in accordance with applicable law and regulations, and upon payment of fines or charges established by the Executive Director.

PART 3. GENERAL OPERATION ON PUBLIC AIRCRAFT AREA

3.1 Identification

Drivers of all vehicles operating on the Operational Areas shall obtain permission from the Executive Director before entering upon the taxiways and runways. Between the hours of sunrise and sunset such vehicle shall have a functioning radio receiver in operation or an overhead red light shall be displayed, or it shall be painted bright yellow, or it shall display a checkered flag, not less than three (3) feet square of international orange and white, the checks being at least one (1) foot on each side; and between the hours of sunset and sunrise conspicuous overhead operating red lights shall be displayed. The Executive Director shall in all cases specify in writing the identifications required.

3.2 Enplaning or Deplaning Passengers

No vehicle shall move on or across the public ramp and apron areas while passengers are enplaning or deplaning, except in conformity with traffic directives issued by the Executive Director. No vehicle shall be operated without operating lights on the Operational Area during the hours of darkness.

3.3 Safety of Aircraft Operation

The Executive Director may suspend or restrict any or all operations without regard to weather conditions whenever such action is deemed reasonably necessary in the interest of safety.

3.4 Deviation from Rules

Any deviation from these Rules shall be coordinated with the Executive Director prior to conducting operation which are contrary to provisions herein contained, except that the Executive Director may temporarily authorize deviation or suspension of portions of the Rules as may be required in the interest of safety. Any deviation from these Rules shall be the sole responsibility of the person conducting the operation which is not in strict accord with the provision herein contained.

PART 4. TAXIING RULES

4.1 Taxiing and Ground Rules

(a) No aircraft engine shall be run at the Airport unless a pilot or a certificated A & P (airframe and power-plant) mechanic qualified to run the engines of that particular type of aircraft is attending the controls.

(b) No person shall taxi an aircraft on the Airport until he has ascertained that there will be no danger of collision with any persons or objects.

(c) All aircraft shall be taxied at a safe and reasonable speed.

(d) All aircraft operating on the Airport shall be equipped with wheel brakes in proper working order.

(e) No aircraft shall taxi between the airline passenger terminal gates and aircraft parked on the terminal apron.

(f) Where taxiing aircraft are converging, the aircraft involved shall pass each other bearing to the right-hand side of the taxiway unless otherwise instructed by Traffic Control.

(g) No aircraft shall be taxied into or out of any hangar under its own power.

(h) All aircraft being taxied, towed, or otherwise moved at the Airport shall proceed with navigation lights on during the hours between sunset and sunrise.

(i) Aircraft engines shall be started or operated only in the places designated for such purposes by the Authority.

(j) All repairs to aircraft or engines shall be made in the areas designated for this purpose. Adjustments and repairs may be performed on air carrier aircraft at gate positions on the terminal apron when such repairs can be accomplished without inconvenience to other persons. Any aircraft being repaired at a gate position shall be moved immediately upon the request of the Executive Director. No aircraft engine shall be run up above idle power for test purposes at any gate position.

(k) Aircraft shall not be washed except in areas and in the manner designated by the Authority.

PART 5. TRAFFIC PATTERN, LANDING, AND TAKEOFF

5.1 Left-Hand Traffic

All aircraft in flight below fifteen hundred (1,500) feet above the ground surface within a three (3) mile radius of the Airport shall conform to a standard left-hand flow of traffic and to the designated traffic pattern, and to the following rules, unless specifically instructed otherwise by Traffic Control, when operational:

(a) The traffic direction shall be as indicated by such devices as a segmented circle or by wind sock.

(b) All landings and takeoffs shall be confined to the paved runway and shall not be conducted on a taxiway or apron, except by helicopters which may land on designated apron areas.

(c) No turn shall be made after takeoff until the airport boundary has been reached and the aircraft has attained an altitude of at least four hundred (400) feet and the operator has ascertained there will be no danger of collision with other aircraft.

(d) Aircraft shall enter the traffic pattern on or before the downwind leg and shall exercise caution and courtesy so as not to cause aircraft already in the pattern to deviate from their course at the discretion of the pilot.

5.2 Ceiling Limitations

When ceiling and/or visibility are less than those authorized by Federal Aviation Regulations for conduct of Visual Flight Operations, no takeoffs or landings are to be authorized at the Airport, except when proper clearance has been obtained from Traffic Control, when operational.

5.3 General Traffic Rules

(a) In advance of any flight test, practice instrument flight, or practice low approach to be conducted within the Airport Clear Zone, the pilot shall make the necessary arrangements with the FAA Airport Traffic Controller on duty, when available, and shall receive clearance before starting such maneuvers, and shall observe all local traffic and avoid interference with same.

(b) No motorless aircraft shall land or take off from the Airport.

(c) The Executive Director shall have the right to deny the use of the Airport to any aircraft or pilot violating Authority or Federal Regulations, whether at the Airport or elsewhere, pursuant to Part 1.5 of these Regulations.

(d) All aircraft operations shall be confined to hard-surfaced runways, taxiways, and aprons.

5.4 Helicopter Operations Rules

(a) Helicopters arriving and departing the Airport shall operate under the direction of the Airport communication system at all times while within three (3) miles of the Airport.

(b) Helicopters shall avoid fixed-wing aircraft traffic patterns and altitudes to the maximum extent possible.

(c) Helicopters shall not be taxied, towed, or otherwise moved with rotors turning unless there is a clear area of at least fifty (50) feet in all directions from the outer tips of the rotors.

(d) Helicopters shall not be operated within two hundred (200) feet of any area on the Airport where unsecured light aircraft are parked.

(e) During landings and takeoffs, helicopter aircraft shall not pass over any Airport buildings, structures, their adjacent auto parking areas, passenger concourses, or parked aircraft.

PART 6. RULES FOR GROUND OPERATIONS

6.1 Engine Run-Up Restrictions

Aircraft engines shall be started or warmed up only by qualified persons, and at the places designated for such purposes. At no time shall engines be run-up in hangars, shops, other buildings, or when spectators are in the path of propeller streams or jet blasts.

6.2 Aircraft Parking

Aircraft shall only be parked in areas designated for such purposes by the Executive Director.

6.3 Area for Repairs

All repairs to aircraft or engines, except emergency repairs, shall be made only in areas designated for this purpose by the Executive Director.

6.4 Runway Area Restrictions

No person or persons, except personnel authorized by the Executive Director, shall be permitted to enter the public runway area.

6.5 Overparking of Aircraft on Apron

Any aircraft operator, upon notice from the Executive Director, shall move or cause an aircraft to be removed from any portion of the public ramp and apron areas within twenty (20) minutes of such notification, notwithstanding the fact that the published tariffs of the Authority may prescribe fees for ramp occupancy by aircraft, establishing definite periods of time for such purpose.

6.6 Power-In, Push-Out of Aircraft

(a) All jet aircraft parking anywhere on the apron at Saipan International Airport shall be permitted to power-in, but must be pushed or towed out upon departure.

(b) It is recognized that some models of jet aircraft require starting of engines prior to push-out due to lack of an internal APU. In such case, the push-out requirement of Paragraph (a) of this Part 6.6 shall not apply; however, in such cases, such aircraft shall be towed or pushed out to a safe

distance away from the terminal and from other aircraft before breakaway jet engine power is applied.

(c) Subject to the provisions of Part 3.4 of these Rules and Regulations, the Executive Director may make exceptions to the provisions of this Part 6.6 when he determines that power-out operations will not pose a hazard to other operations or aircraft upon the apron, and will not pose a hazard, inconvenience, or discomfort to passengers in the departure area of the terminal or in the process of boarding or deboarding another aircraft. However, no exception to this Part may be granted by the Executive Director when more than one jet aircraft is on the apron at any one time.

6.7 Running of engines during operations

No propeller-driven aircraft engine shall be operated while such aircraft is parked on the ramp, or during the loading or unloading of passengers or cargo, unless (1) a duly authorized agent of operator of the aircraft is present during such loading or unloading, and such agent shall take all necessary steps to assure the safety of passengers and other persons upon the ramp; and (2) the operator of such aircraft shall have deposited with the Authority a certificate or other evidence of insurance, in a form and upon a company satisfactory to the Authority, insuring the operator, the Authority, and their respective agents, employees, and officers, against the risks of personal injury, loss of life, and property damage in an amount of not less than \$1,000,000.00 for person, \$3,000,000.00 for each accident, and \$500,000.00 for property damage, provided that this insurance requirement shall not apply to any airline which has executed an operating agreement with the Authority pursuant to Part 7.8 of these Rules and Regulations, while such agreement remains in force and effect.

6.8 Flight Service Station

The Authority operates a Flight Service Station at Saipan International Airport. The purpose of the Flight Service Station is solely for the purpose of providing information to aircraft operators concerning weather, and for no other purpose.

This service is provided strictly as a convenience to aircraft operators, each of whom is free to obtain weather information from any other source whatsoever. No operator of an aircraft is entitled to rely on any information provided by the Flight Service Stations, for any purpose whatsoever, whether such information relates to weather or any other subject matter.

Without limiting the generality of any of the foregoing, all aircraft operators are reminded that all decisions relating to the operation of aircraft in the air are outside the responsibility of the Authority and the Flight Service Station, and that neither the Authority nor its Flight Service Station has any authority to transmit any orders relating to the operation of aircraft in the air. However, the Authority and its Flight Service Station have authority to transmit orders relating to the operation of aircraft on the ground.

Every person who owns or operates an aircraft to, from, or within any airport in the Northern Mariana Islands which is under the direction and control of the Authority, or within any airspace of the Northern Mariana Islands, as a

condition of such operation, hereby agrees to save, hold harmless, and indemnify the Authority, and its agents, servants, workmen, officers, and employees, from any and all claims, demands, and liabilities whatsoever arising out of the operations of the Flight Service Station.

PART 7. CONDITIONS OF USE OF AIRPORT

7.1 Public Apron and Aircraft Parking Area Use

All aircraft, whether operated for revenue or nonrevenue purposes, shall use the Public Apron and Aircraft Parking Area only under the conditions stated in these Rules and Regulations and shall be subject to such fees and charges as may from time to time be approved and published by the Authority.

7.2 Departing Passenger Restrictions

All passengers departing from the Airport and being carried for hire shall be processed through the facilities designated for such purpose by the Executive Director, and the use of such facilities shall be subject to such fees and charges as may from time to time be approved and published by the Authority.

7.3 Arriving Passenger Restrictions

All terminating passengers and their baggage being carried for hire arriving at the Airport shall be processed only through the facilities designated for such purposes by the Executive Director, and the use of such facilities shall be subject to such fees and charges as may from time to time be approved and published by the Authority.

7.4 Transit Passenger Restrictions

Passengers transiting the Airport may utilize, in common with the general public, the facilities of any terminal building. At any time, when required by Commonwealth of the Northern Mariana Islands Health, Immigration, and/or Customs regulations, all such transit passengers shall be held during any transit layover in a separate transit lounge provided by the Authority. If transit passengers are so required to use such transit lounge, such passenger use shall be subject to such fees and charges for use thereof as may from time to time be approved and published by the Authority.

7.5 Restrictions on Purchase of Aviation Fuels

No aircraft may be fueled on the Airport unless the operator thereof has a valid agreement with the Authority permitting such fueling, or unless said operator has obtained a written clearance therefor from the Executive Director. Such fueling clearance shall be issued to an aircraft operator upon showing the Executive Director that all of these conditions of use of Airport have been or will be responsibly complied with and the fees and charges have been, or will be, paid under the terms hereof.

7.6 Cargo Operations

(a) Except for tenants operating under a valid lease which provides otherwise, cargo may be boarded on aircraft only at locations designated by

the Executive Director and subject to the conditions stated in these Rules and Regulations, and shall be subject to such fees and charges as may from time to time be approved and published by the Authority.

(b) Air cargo may not be accepted for carriage, or delivered to consignees, at airline ticket counters or inside any security fence at Saipan International Airport; except that shipments not exceeding 25 lbs in weight and 45 inches in the sum of length, width, and height, may be accepted or delivered at ticket counters.

7.7 Independent Cargo Operations, Ground Handling, Ramp Service, and Maintenance

Any person conducting Cargo Operations, Ground Handling, Ramp Service or Maintenance on or for any aircraft, other than the operator of the aircraft, must be specifically authorized and permitted to conduct such operations by the Executive Director. The permit issued by the Executive Director shall prescribe fees to be paid to the Authority for the privilege of conducting such business and operations at the Airport, and shall state the privileges granted under the permit.

7.8 Security Screening

Whenever security screening of passenger departing from the Airport, and their carry-on baggage, is required by Federal or other applicable laws or regulations, such security screening shall be conducted electronically, utilizing an electronic security screening system. Hand screening of passengers and their carry-on baggage shall also be permitted. The Authority provides an electronic security screening system for this purpose, which is available for use by all airlines serving Saipan International Airport on a reasonable and non-discriminatory basis. The use of said system is subject to the payment of such reasonable fees and charges as may be established, either by agreement with the system operator or otherwise.

The Executive Director may suspend the enforcement of this Part 7.9 for a period not exceeding six months.

7.9 Notice of Airline Schedule Changes

Every air carrier operating regularly scheduled service, or scheduled charter service, to or from any Airport of the Commonwealth shall, as soon as practicable, notify the Authority of any and every change in the scheduled arrival and departure of its flights. The Authority deems such notification necessary in order that the Authority may assure that airports are adequately staffed to handle such flights. If notification of a proposed scheduled change is not provided to the Authority at least forty-five (45) days prior to the effective date of such schedule change, the Authority cannot guarantee that sufficient staff will be available at the Airport affected.

7.10 Insurance

Every person who operates an Aircraft on regularly-scheduled or charter service, to or from any Airport and who is not a signatory to an Airline Use Agreement, shall carry third-party liability insurance in amounts not less

than \$5 million for injury to or death of persons and \$1 million for damage to property.

7.11 Surety Bond

(a) **Amount** Every person who operates an Aircraft at any Airport and who is not a signatory to an Airline Use Agreement with the Authority shall post a surety bond in an amount equal to the greater of (1) Ten Thousand Dollars (\$10,000), or (2) the sum of the following: (i) three months' Departure Facility Service Charges as provided in Part 12.3 of these Regulations. The three months' Departure facility Service Charges provided herein shall equal one-quarter of the aggregate of the Departure Facility Service charges due and owing by the aircraft operator over the immediately-preceding twelve month period. In the event that the aircraft operator has not previously served an Airport for the entire preceding twelve month period, the Authority shall estimate the amount of Departure Facility Service Charges based upon prior Departures Facility Service Charges due and owing by the Aircraft operator to the Authority, if any, and/or the first and subsequently monthly history of the Aircraft operator's flight operations in the Commonwealth; plus (ii) three months' Landing Fees, as provided in Part 12.1 of these Regulations. The three months' Landing Fees shall equal one-quarter of the aggregate of the Aircraft operator's Landing Fees due and owing for the immediately preceding twelve-month period. In the event that the Aircraft Operator has not previously utilized an Airport for the entire peceding twelve month period, the Authority shall estimate the amount of Landing Fees based upon prior Landing Fees due and owing by the Aircraft operator to the Authority, if any, and/or the first and subsequent monthly landings of the Aircraft operator; plus (iii) an amount equal to three months' fees and charges under the remaining provisions of Part 12 of these Rules and Regulations. The Authority shall estimate the amount of such fees and charges based upon the operating history of Aircraft operator at the Airports, and/or the anticipated utilization of the Airports by the aircraft operator. The Authority reserves the right to adjust the surety bond, upward or downward, taking into consideration subsequent changes in estimated fees and charges.

(b) **Bond** The form of the surety bond required by Paragraph (a) of this Part 7.11, and the identity of the surety, shall be subject to the approval of the Authority. Such surety bond shall provide that the bond may not be cancelled or reduced except upon thirty days' prior written notice to the Authority. The terms and conditions of such bond shall further provide that, at any time when the Aircraft operator fails to pay, when due, any fees and charges due and owing to the Authority pursuant to these Rules and Regulations or otherwise, the surety shall, upon demand by the Authority, pay to the Authority such sums as are then due and owing by the Aircraft operator to the Authority.

PART 8. CONDUCT OF THE PUBLIC

8.1 Obstruction of Public Use

No person shall travel by foot or vehicle on any portion of the Operational Area of the Airport, except upon the roads, walkways, or places provided for

the particular class of traffic, nor occupy the roads or walkways in such a manner as to hinder or obstruct their proper use.

8.2 Restricted Areas

No person shall enter any restricted area of the Airport posted as being closed to the public, except those persons authorized by the Executive Director.

8.3 Entrance Into Public Areas

Operational areas, ramps, aprons, and loading positions are closed to the public, and no tenant, either corporate or personal, shall permit any unauthorized person to gain access to such areas either by private or common-use passageways or through private areas. No person shall enter upon the public ramp and apron area or public cargo ramp and apron area of the Airport, except those persons authorized by the Executive Director, and those persons assigned to duty therein, or those persons entering upon the public ramp areas for purposes of embarkation or debarkation.

8.4 Signs and Advertisements

No person shall post, distribute, or display signs, advertisements, circulars, printed or written matter of any kind or character at the Airport or on any leased premises therein where such signs are visible from any public area, except when authorized in writing by the Executive Director. All signs shall be of a design, size, and character placed in a manner approved in writing by the Executive Director, and subject to such fees and charges as may from time to time be approved and published by the Authority.

8.5 Soliciting of Funds

No person shall solicit funds, for any purpose whatsoever, at the Airport.

8.6 Selling, Soliciting, and Entertaining

No person, except those persons authorized by written contract to do so, or any other persons with the written permission of the Executive Director for specific occasions, shall in or upon any area of the Airport:

- (a) Sell, offer for sale, distribute, or give away any article of merchandise, any promotional or informational materials, leaflets, or any thing of value;
- (b) Solicit any business or trade, including the carrying of baggage for hire, the shining of shoes or boot blacking, or the rental or hire of cars, taxicabs, or aircraft;
- (c) Entertain any persons by singing, dancing, or playing any musical instrument;
- (d) Solicit alms or other contributions.

The Executive Director shall grant permission for activities protected by the First Amendment, but subject to such restrictions as to time, manner, and place as the Executive Director shall deem reasonable under the circumstances.

8.7 Loitering

No person shall loiter in or about any toilet area, waiting room, or any other appurtenance of the Airport. Continued and willful violation of this rule by any individual will justify his ejection from the Airport; and admittance again thereto will be barred unless a legitimate purpose can be shown.

8.8 Gambling

No person shall conduct or knowingly permit gambling in any form or operate gambling, or amusement devices anywhere on the Airport, except as authorized by law, and with the specific written authorization of the Executive Director.

8.9 Disorderly Conduct

Any person who shall commit any disorderly or obscene act or engage in other offensive conduct, or commit any criminal act on the Airport will be immediately ejected therefrom, and may be subjected to prosecution in accordance with the laws of the Commonwealth of the Northern Mariana Islands.

8.10 Preservation of Property

No person shall:

(a) Destroy, injure, deface, or disturb in any way any building, sign, furniture, equipment, marker, other structure, tree, flower, lawn, or other property on the Airport.

(b) Walk or operate a vehicle on lawns and seeded areas on the Airport.

(c) Abandon any personal property on the Airport.

(d) Litter or dispose of any waste on any portion of Airport property or portion of access road.

8.11 Disposition of Waste Articles

No person shall dispose of paper, cigars, cigarettes, bottles, chewing gum, betel nut, or any waste or refuse material, on the floor of any terminal building or grounds adjacent thereto, except in receptacles provided for such purposes.

8.12 Pets

(a) No persons shall enter any public building or operational area of the Airport with any pet, except a "seeing-eye" dog, or one properly confined for shipment, on a leash, or confined in such a manner as to be under control.

(b) No tenant of the terminal buildings, or any employee of such tenant, shall be permitted to keep pets on Airport premises.

8.13 Other Animals

No person shall permit livestock or any other animals under his or her control or custody to enter the Airport, except one properly confined for shipment. Any stray livestock or animal on the Airport will be disposed of by the Authority in accordance with the laws and ordinances applicable thereto.

8.14 Sanitary Care

No person shall place, discharge, or deposit, in any manner whatsoever, any offal, garbage, or refuse in or upon any Airport road or operational area, except at such places and under such conditions as the Authority may prescribe. Spitting on the floor or sidewalks of the terminal buildings is prohibited.

8.15 Penalties

Any person violating any provision of this Part shall be given written notice thereof by a duly authorized employee of the authority and shall be assessed a civil penalty as follows:

- (a) \$25 for violations of 8.1, 8.4, 8.5, 8.6, 8.7, 8.12, and 8.13.
- (b) \$100 for violations of 8.8, 8.9, 8.10, 8.11, and 8.14.
- (c) \$1,000 for violations of 8.2, and 8.3

The provisions of Part 2.11(e) of these Rules shall apply of liability for such penalty is denied.

PART 9 USE OF PARTICULAR AND DESIGNATED AREAS

9.1 Areas Designated for Specific Uses

Except as otherwise provided for in contracts with the Authority, the use of the following designated areas shall be limited to the following purposes:

(a) Public aircraft parking and storage areas may be used only for parking and storing aircraft fuel and lubricants which must be in tanks, other supplies for use on such aircraft, and for making repairs to aircraft.

(b) Public ramp and apron areas may be used only for loading and unloading passengers, cargo, mail and supplies, to or from aircraft, servicing aircraft with fuel and lubricants, performing the operations commonly known as "ramp service," performing inspections, minor maintenance, and other services upon or in connection with aircraft incidental to performing "ramp service" and parking mobile equipment actively used in connection with such operations. Washing of aircraft, vehicles or other equipment, without the authorization of the Executive Director, is prohibited.

(c) Public taxiways may be used only for the ground movement of aircraft to, from, and between runways, public cargo ramp and apron areas, public ramp, and apron areas, public aircraft parking and storage areas, and other portions of the Airport; and for the movement of approved ramp equipment and Airport equipment properly identified.

(d) Runways may be used only for the landing and takeoff of aircraft and for the towing of aircraft to the closest towing exit thereupon after completion of landing roll. No braked wheel turns will be permitted on the runways.

(e) Airport roads may be used as a means of ingress and egress for vehicles to, from, and between the public roads with which such roads connect, and the various buildings and land areas at the Airport abutting upon such roads; and sidewalks along such roads (and other portions of such roads, when designated for that purpose) may be used by pedestrians as a means of ingress and egress to, from, and between various portions of the Airport.

(f) In case of labor disputes, picketing or other demonstrations shall be confined to the entrance road of the Airport, and in no event within five hundred (500) feet of any terminal buildings.

(g) Hallways, corridors, lobbies, and waiting rooms in passenger terminal buildings may be used as a means of ingress and egress to, from, and between the Airport roads and the ramp and apron space and the various offices and places of business within the terminal buildings. Such hallways, corridors, lobbies and waiting rooms may also be used at such places of business for the purposes of carrying on any transactions authorized by a valid lease, permit, or license from the Authority.

(h) Hallways, corridors, and lobbies in buildings to which members of the public are admitted, other than passenger terminal buildings, may be used as a means of ingress and egress to, from, and between the Airport highways and other portions of the Airport, abutting upon such buildings, and the various offices and other places of business in such buildings.

9.2 Personnel Authorized to use Areas

Nothing herein contained shall be construed to limit the use of any area, or portion of the Airport, by any security officer, fireman, Customs Officer, Immigration and Naturalization Officer, Law Enforcement Officer, or any other public officer or employee, from entering upon any part of the Airport when properly required in the performance of his official duties.

9.3 Compliance with Rules and Regulations

The use of the foregoing areas and portions of the Airport is subject to compliance with these Rules and Regulations, and the payment of such rates, fees, or charges as may be established by the Authority for such use.

PART 10 SAFETY PROVISIONS

10.1 Dangerous Acts

No persons in or upon the Airport shall do, or omit to do, any act if the doing or omission thereof endangers unreasonably, or is likely to endanger unreasonably, persons or property.

10.2 Smoking

(a) No person shall smoke or carry lighted cigars, cigarettes, pipes, matches, or any naked flame, in or upon any fuel storage area, public ramp and apron area, public cargo ramp and apron area, or public aircraft parking and storage area, or in any other place where smoking is specifically prohibited by signs, or upon any open space within fifty (50) feet of any fuel carrier or aircraft which is not in motion; nor shall any person throw from any open deck, gallery, or balcony, contiguous to such areas or such carriers or aircraft, cigars, cigarettes, or similar articles.

(b) No person shall start fires of any type, including flare pot and torches, on any part of the Airport without permission of the Executive Director.

10.3 Explosives

No person shall, without prior permission of the Executive Director, keep, transport, handle or store at, in, or upon the Airport any cargo of explosives or other dangerous articles which are barred from loading in, or transportation by, civil aircraft in the United States, under the provisions of the Federal Aviation Regulations. No waiver of such regulations, or any part thereof, shall constitute, or be construed to constitute, a waiver of this Rule, nor an implied permission to keep, transport, handle, or store such explosives or other dangerous articles at, in, or upon the Airport.

10.4 Use of Fire Extinguishers

Fire extinguishing equipment at the Airport shall not be tampered with at any time, nor shall it be used for any purpose other than fire fighting or fire prevention. All such equipment shall be kept inspected in conformity with the regulations of the National Board of Fire Underwriters. Tags showing the date of the last inspection shall be attached to each unit, or records acceptable to fire underwriters shall be kept, showing the status of such equipment.

10.5 Storage of Inflammable Materials

No person shall keep or store any volatile inflammable liquids, gasses, signal flares, or other similar material in the hangars or in any other building on the Airport. Such material, however, may be kept in aircraft or vehicles in their installed supply or operating tanks, or in approved containers, or in rooms or areas specifically approved for such storage by the Executive Director.

10.6 Lubricating Oils

No person shall keep or store lubricating oils in or about the Airport; provided, however, that such material may be kept in aircraft or vehicles in their installed supply or operating tanks, or in containers provided with suitable

draw-off devices, or in areas or sealed containers specifically approved for such storage by the Executive Director.

10.7 Fire Apparatus

All tenants, or lessees, or owners of hangars, or shop facilities shall supply and maintain adequate and readily accessible fire extinguishers and fire equipment of the type approved by the Department of Public Safety. They shall be subject to the periodic inspection of the Department of Public Safety. The Executive Director may prescribe fire drills for all tenants from time to time.

10.8 Fuel Handling While Engines are Running

Aircraft fueling is prohibited while the engine of the aircraft being fueled is running, unless carried out in accordance with a previously approved company standard operating procedure.

10.9 Proper Grounds

During all fuel handling operations, in connection with any aircraft at the Airport, the aircraft and the fuel dispensing, or draining apparatus, shall be grounded by wire to prevent the possibility of static ignition of volatile liquids.

10.10 Distance from Buildings

Aircraft fuel handling at the Airport shall be conducted at a distance of at least fifty (50) feet from any hangar or other building.

10.11 Fire Extinguishers Required

During fuel handling operations, in connection with any aircraft at the Airport, at least two (2) CO₂ fire extinguishers (15-pound or larger) or other type extinguisher approved by the fire underwriters shall always be immediately available for use in connection therewith.

10.12 When Passengers are Aboard

During fuel handling, in connection with any aircraft, no passenger shall be permitted to remain in such aircraft unless a cabin attendant is at the door and a passenger ramp is in position for the safe and rapid debarkation of passengers.

10.13 Smoking Near Aircraft

Smoking is prohibited in or about any aircraft or on any ramp, apron, or loading position. Only personnel engaged in fuel handling or in the maintenance and operation of the aircraft being fueled shall be permitted within a distance of fifty (50) feet of the fuel tanks of such aircraft during fuel handling operations.

10.14 Starting Engines

No person shall start the engines of any aircraft when there is gasoline, or any type of fuel, on the ground under the aircraft. In the event of the spillage of gasoline, or any type of fuel, no person shall start an aircraft engine in the area in which the spillage occurred, even though the spillage may have been flushed, until permission has been granted for the starting of engines in that area by the Airport Fire Chief or his designee.

10.15 Cleaning of Aircraft

Interior and exterior cleaning of aircraft shall be done only in areas designated or approved for that purpose.

10.16 Fuel and Oil Spillage

(a) In the event of spillage or dripping of fuel, oil, grease, or any other material, except such spillage or dripping as may be normal in aircraft or vehicular operation, which may be hazardous or unsightly or detrimental to the pavement in any area at the Airport, the same shall be removed immediately. The responsibility for the immediate removal of such fuel, oil, grease, or other material will be discharged by the operator of the equipment causing the same, or by the tenant or concessionaire responsible for the deposit thereof.

(b) Receptacles containing waste oil, or such waste oil, must be placed in containers provided by the tenant for such purposes for further disposition. Throwing oil on pavement or on any grassed or planted area is prohibited, and any offender shall be liable for damage thereto or subject to Part 11.5 of these regulations.

10.17 Enforcement of Safety Provisions

(a) In case of any violation of these regulations, the Executive Director shall take such steps as may be required by the situation to prevent any harmful effects upon persons or property, and to preserve the safe and efficient operation of the Airport facilities.

(b) In the event the Executive Director shall take such steps as he or she deems necessary to prevent any harmful effects upon persons or property, the Executive Director and the Authority shall be held harmless and without liability for any and all adverse consequences and /or damages resulting from the Executive Director's actions pursuant to this Part.

PART 11. MISCELLANEOUS PROVISIONS

11.1 Conformance with U.S. Regulations

All aeronautical activities at the Airport shall be conducted in accordance with rules, regulations and provisions adopted in conformity with the applicable provision approved by the Federal Aviation Administration. The Air Traffic Rules as contained in the Regulations of the United States Federal Aviation Agency and other appropriate rules and regulations of that body as they pertain to aircraft operations on the Airport are hereby adopted by reference and made a part of these rules as though they were fully contained herein.

11.2 Careless or Reckless Operation

No person shall operate an aircraft in a careless or reckless manner so as to endanger life or property or to constitute a disturbance of the peace.

11.3 Safety of the Public

The Executive Director shall, at all times, have authority to take such summary action as may be convenient or necessary to safeguard the public.

11.4 Lost and Found Articles

Any person finding mislaid articles at the Airport shall turn them over to a Security Officer or to the office of the Executive Director. Articles unclaimed by the owner within ninety (90) days after their receipt will be considered as lost articles to be disposed of in a manner to be determined by the Authority. Nothing in this section will be construed to deny the right of scheduled air carriers to maintain lost and found services for their passengers.

11.5 Observance of Rules and Regulations

Tenants on the Airport are responsible for their employees' observance of the rules; however, for continued willful and flagrant violation, any employee of any tenant, or the tenant, may be ejected or barred from the Airport by the Executive Director.

11.6 Penalties

(a) Except as otherwise provided, any violation of these regulations is punishable by a fine of not to exceed one thousand dollars (\$1,000.00) or by imprisonment not to exceed three (3) months, or both upon conviction by a court of competent jurisdiction. Each violation shall constitute a separate enforceable offense. If the violation is a continuing one, each day the violation continues is a separate offense. Any person who has received a notice of violation and assessment of a civil penalty shall have fifteen days to answer the assessment by denying liability, by offering a compromise to the Executive Director, or by paying the assessment. Failure to answer the assessment may result in the Authority's exercising its authority pursuant to 2 CMC § 2146 (b).

(b) Personal property or other goods placed on the Airport premises in violation of these Rules and Regulations may be removed from the place where found by the Executive Director and kept by the Executive Director until reclaimed by the owner, or if not reclaimed, then disposed of by the Executive Director. Such articles may not be reclaimed except upon the payment of a fee, to be determined by the Executive Director, for the cost of storage and removal of the property in question.

(c) Nothing contained within this Part 11.6 shall in any way alter or restrict the rights and remedies of the parties having valid leases or other operating agreements with the Authority as may be found in the respective agreements with the Authority.

PART 12. SCHEDULE OF FEES AND CHARGES

12.00 Fees for Nonsignatory carriers

The fees and charges set forth in Parts 12.1 through 12.4 of the Rules and Regulations, multiplied by a factor of 1.5, shall be payable for the use of facilities at Saipan International Airport by any air carrier which is not a party to a valid Airline Use Agreement with the Authority pursuant to Part 7.9 of these Rules and Regulations. At Rota International Airport and West Tinian International Airport, and the Saipan Commuter Terminal, the multiplying factor for non-signatory carriers shall be 1.25.

12.1 Landing Fees

A charge of eighty-five cents (\$0.85) per thousand (1,000) pounds certified maximum gross landing weight of the aircraft as determined by FAA for said aircraft, for each landing at Saipan International Airport shall be paid to the Authority.

A charge of sixty-five cents (\$0.65) per thousand (1,000) pounds certified maximum gross landing weight of the aircraft as determined by FAA for said aircraft, for each landing at West Tinian International Airport and Rota International Airport, shall be paid to the Authority.

The minimum landing fee shall be \$7.50 for any aircraft whose operator is not a party to a valid Airline Use Agreement with the Authority pursuant to Part 7.9 of the Rules and Regulations.

Exceptions:

- (1) Diplomatic, U.S. military, and Mariana Islands Government aircraft.
- (2) Any airline which has executed an operating agreement with the Authority pursuant to the provisions of Part 7.9 of these Rules and Regulations, while such agreement remains in force or effect. Any such airline operating under such an agreement shall pay Landing fees as set forth in its operating agreement. The Authority shall take all steps necessary to ensure that all operating agreements currently in effect shall be brought into compliance with the schedule of fees and charges set forth in this Part on or before October 1, 1992.
- (3) Any other aircraft operator which has a valid written agreement with the Authority and which provides for landing fees other than as provided for in this Part 12.1.

12.2 Public Apron and Operational Area Charge

A minimum charge of Twenty-five Dollars (\$25.00), or if greater, fifteen cents (\$0.15) per thousand (1,000) pounds maximum gross certified landing weight, as determined by FAA for said aircraft for each one (1) hour, or fraction thereof, for parking on the public apron adjacent to the terminal building shall be paid to the Authority by the aircraft operator. The payment of which shall, in addition to permitting the parking of the aircraft, also permit the use by the aircraft crew and nonrevenue passengers of the public facilities in the Departure Building and on the Airport (but not including use of the Arrival Building and In-Bound Baggage Handling Facilities). Maximum time limit for aircraft apron use is three and one half (3-1/2) hours, after which aircraft must be moved to the Public Aircraft Parking Area.

Exceptions:

- (1) Diplomatic, U.S. military, and Mariana Islands Government aircraft.
- (2) Any airline which has executed an operating agreement with the Authority pursuant to the provisions of Part 7.9 of these Rules and Regulations, while such agreement remains in force or effect. Any such airline operating under such an agreement shall pay a Public Apron and Operational Charge as set forth in its operating agreement. The Authority shall take all steps necessary to ensure that all operating agreements currently in effect shall be brought into compliance with the schedule of fees and charges set forth in this Part on or before October 1, 1992.

12.3 Departure Facility Service Charge

To cover costs of operations and maintenance of terminal buildings, a service charge calculated on the basis of Five dollars and Seventy-Nine Cents (\$5.79) per revenue passenger at the main terminal building at Saipan International Airport or Four Dollars and Forty-Five Cents (\$4.45) per revenue passenger at Rota International Airport and West Tinian International Airport, and a charge of Two Dollars and Eighty-Five Cents (\$2.85) per revenue passenger at the Saipan Commuter Terminal shall be paid to the Authority by every aircraft operator transporting revenue passengers from such Airports.

Exceptions:

- (1) Diplomatic, U.S. military, and Mariana Islands Government aircraft.
- (2) Any airline which has executed an operating agreement with the Authority pursuant to the provisions of Part 7.9 of these Rules and Regulations, while such agreement remains in force or effect. Any such airline operating under such an agreement shall pay Departure Facility Service Charges as set forth in its operating agreement. The Authority shall take all

steps necessary to ensure that all operating agreements currently in effect shall be brought into compliance with the schedule of fees and charges set forth in this Part on or before October 1, 1992.

12.4 International Arrival Facility Service Charge

To cover the added costs of operations and maintenance of the arrival terminal building for international deplaned passengers at the Saipan International Airport, a service charge calculated on the basis of Two dollars and Twenty Cents per revenue passenger shall be paid to the Authority by every aircraft operator transporting international revenue passengers to the Saipan International Airport.

For purposes of this Part, "international deplaned passengers" is defined as all those deplaned passengers at the Saipan International Airport whose departure did not originate in Tinian, Rota, Guam, and whose destination is Saipan.

12.5 Aircraft Parking Charge

Aircraft shall be parked at designated locations only.

(a) For aircraft paying the Public Apron and Operational Area charges cited in 12.2 above, aircraft parking charges shall be three cents (\$0.03) per thousand (1,000) pounds maximum gross certified landing weight as determined by FAA for said aircraft for each twenty-four (24) hours, or fraction thereof, beginning at the time the aircraft moves to the parking area from the public apron.

(b) For aircraft not requiring use of the Public Apron and thus not subject to a charge thereof, aircraft parking charges shall be a minimum of five dollars (\$5.00), or three cents (\$0.03) per thousand (1,000) pounds for each twenty-four (24) hours, or fraction thereof, thereafter.

(c) Monthly rates shall be twenty-two (22) times the daily rate. All such charges shall be paid by the aircraft operator to the Authority prior to departure of the aircraft from the assigned parking position.

(d) Locally based aircraft parked in areas designated by the Executive Director for such purpose shall pay Fifteen Dollars (\$15.00) per month, payable in advance.

Exceptions:

(1) Diplomatic, U.S. military, and Mariana Islands Government aircraft.

(2) Any airline which has executed an operating agreement with the Authority pursuant to the provisions of Part 7.9 of these Rules and Regulations, while such agreement remains in force or effect. Any such airline operating under such an agreement shall

pay an Aircraft Parking Charge as set forth in its operating agreement. The Authority shall take all steps necessary to ensure that all operating agreements currently in effect shall be brought into compliance with the schedule of fees and charges set forth in this Part on or before October 1, 1992.

12.6 In-Transit Passenger Service Charge

Any operator using the Airport for an in-transit stop (i.e., not involving Airport-originating or terminating passengers) shall pay a service charge of a minimum of ten dollars (\$10.00) or, if greater, a service charge calculated on the basis of thirty-five cents (\$0.35) for each in-transit passenger to cover the costs of operating and maintaining the public use portion of the terminal buildings utilized by said in-transit passengers.

Exceptions:

- (1) Diplomatic, U.S. military, and Mariana Islands Government aircraft.
- (2) Any airline which has executed an operating agreement with the Authority pursuant to the provisions of Part 7.9 of these Rules and Regulations, while such agreement remains in force or effect. Any such airline operating under such an agreement shall pay an In-Transit Passenger Service Charge as set forth in its operating agreement. The Authority shall take all steps necessary to ensure that all operating agreements currently in effect shall be brought into compliance with the schedule of fees and charges set forth in this Part on or before October 1, 1992.

12.7 Catering Fee

A fee equal to twelve percent (12%) of the gross billings (charges) made for the sale, delivery, boarding, and removal of inflight catering food and beverages shall be paid to the Authority by the supplier thereof as a condition of access to the Airport.

Exceptions:

- (1) In flight catering provided directly and not by contract, by a bona fide airline lessee of the Airport, or by a concessionaire operating on the Airport, under the terms of a valid lease.

12.8 Fuel Flowage Fee

A fee equal to one and one half cents (0.015) for each gallon of aviation gasoline and jet fuel delivered to the Airport. The fuel flowage fee shall be paid by the seller thereof, upon the delivery of aviation gasoline and jet fuel to

the Airport. The seller may pass the fuel flowage fee on to the purchaser thereof. The seller shall deliver to the Authority, not later than the 15th day of every month, the fuel flowage fee payable on deliveries to the Airport during the previous month, together with appropriate documentation evidencing such deliveries.

12.9 Ground Rent

Any exclusive use of ground space on the Airport shall be subject to ground rent.

Any such exclusive use of ground space shall encompass the entire amount of ground space effectively occupied (i.e., in the case of building or facility, the ground space underlying that building or facility; and, in addition, all surrounding area effectively utilized for setbacks, parking, access, etc., shall be included). In the case where such effectively utilized area cannot be precisely described, it shall be assumed that the effective area shall be, at a minimum, equal five (5) times the ground space occupied by the building or facility.

No tenant of the Authority may sublease or assign its leased premises or any interest thereon, without the prior consent of the Authority. Such consent, if granted, shall be conditioned upon payment to the Authority of not less than 25% of the total consideration for such sublease or assignment.

12.10 Passenger Facility Charges

The Authority is authorized to impose Passenger Facility Charges (PFC's) not to exceed Three Dollars (\$3.00) per enplaning passengers. All such charges shall comply with applicable Federal Laws, Rules, and Regulations as amended from time to time.

12.11 Payment of Charges

All fees are to be paid in U.S. currency by the aircraft operator to the Office of the Executive Director, upon arrival (except in the case of parking charges which are to be paid prior to departure, and fuel flowage fees which shall be paid upon purchase of fuels) unless special arrangements have been made with the Authority in writing in advance. The Executive Director may authorize, in writing, fees to be paid in a manner different from that provided herein.

12.12 Surcharges on Airline Tickets Prohibited

No airline or other seller of tickets for air transportation operating at any Airport owned and operated by the Authority shall state, charge, or collect any fees and charges specified in Parts 12.1 through 12.5 of these Regulations separately from the price of an airline ticket; provided, however, that nothing herein shall prevent or restrict any such airline or other seller from charging and collecting a single fare, which may be periodically adjusted, subject to applicable restrictions imposed by law, to reflect the airline's costs, which costs include but are not limited to such fees and charges.



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
REGULATIONS FOR CONTRACTORS

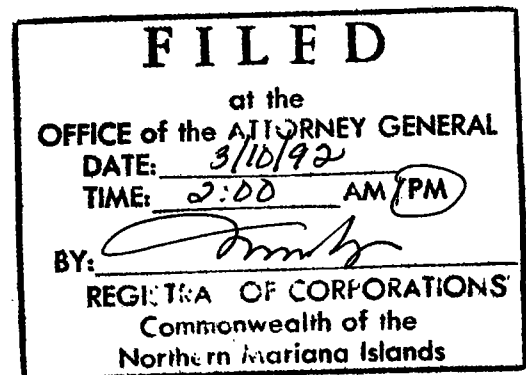
The Board of Professional Licensing hereby gives notice to the Public of its intention to adopt the proposed regulations for Contractors.

The public may submit written comments and/or recommendations regarding the proposed regulations during the thirty (30) day period following this date of publication in the Commonwealth Register. Such comments and/or recommendations should be sent to the Chairman of the Board of Professional Licensing as follows:

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

Dated this 5th March, 1992.

Juan Q. Inos
CHAIRMAN
Board of Professional Licensing





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
REGULASION PARA CONTRACTORS

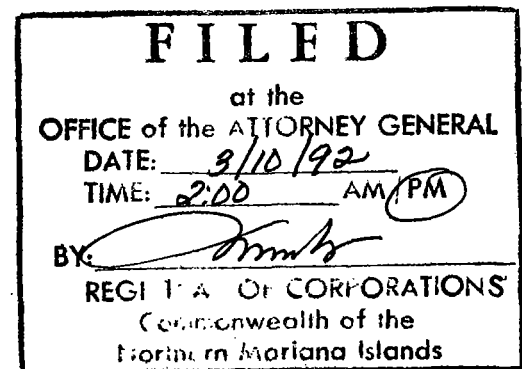
I Board of Professional Licensing, ginen este ha nutitisia i publiku put i intension-ñiha ni para u adapta i maproponi na regulasion para Contractors.

I publiku siña ma entrega hafa siha na komentu osino rekomendasion put i maproponi na regulasion gi halom trenta (30) dias despues di ma publika huyong este na nutisia gi Commonwealth Register. Este siha na komentu osino rekomendasion debi u fan matúge papa ya u mana hanao guatu gi Chairman i Board of Professional Licensing gi este na address:

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

Ma fecha' guine na dia 9th Matso, 1992.

Juan Q. Inos
CHAIRMAN
Board of Professional Licensing





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
ALLÉGH NGALIIR CONTRACTORS

Schóól Board of Professional Licensing rekke arongaar towláp igha rebwe adapta allégh ngáliir Contractors.

Aramas emmwel rebwe ischiitiw meta mángemángiur me tipaer reel allégh yeel 11ól eliigh (30) rál sáangi igha e toowow arongorong yeel mellól Commonwealth Register nge raa afanga ngáli Chairman Board of Professional Licensing reel address ye faal:

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

E fféer 11ól ráálil ye 9th Matso, 1992.

Juan Q. Inos
CHAIRMAN
Board of Professional Licensing

FILED
of the
OFFICE of the JOURNEY GENERAL
DATE: <u>3/15/92</u>
TIME: <u>2:00</u> AM/PM
BY: <u>[Signature]</u>
REG. T. A. 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

CERTIFICATION OF PROPOSED
REGULATIONS FOR CONTRACTORS
OF THE BOARD OF PROFESSIONAL LICENSING

I, Juan Q. Inos, Chairman of the Board of Professional Licensing which is promulgating the Regulations for Contractors hereinabove set forth, by signature below hereby certify that such proposed 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 5th day of March, 1992, at Saipan, Commonwealth of the Northern Mariana Islands.

Juan Q. Inos

CHAIRMAN

Board of Professional Licensing

FILED
at the
OFFICE of the ATTORNEY GENERAL
DATE: <u>3/10/92</u>
TIME: <u>2:00</u> AM/PM
BY:
REGISTRAR OF CORPORATIONS Commonwealth of the Northern Mariana Islands

Regulations of the Board of Professional Licensing for Contractors

PART I. GENERAL PROVISIONS

- 1.1 **PURPOSE.** The purpose of adopting these regulations is to protect the public's health, safety and general welfare in dealing with persons engaged in the construction industry and to provide the public practical protection against the incompetent, inexperienced, unlawful and unfair practices of contractors with whom they may contract.
- 1.2 **AUTHORITY.** The Board of Professional Licensing has the authority to promulgate rules and regulations for Contractors pursuant to 4 CMC 3108.
- 1.3 **POWERS AND DUTIES OF BOARD.** In addition to any other duties and powers granted by law and these regulations, the Board shall:
- (A) Grant licenses to Contractors pursuant to these regulations;
 - (B) Make, amend or repeal such rules and regulations as it may deem proper to fully effectuate these regulations and carry out the purpose thereof which purpose is the protection of the general public;
 - (C) The rules may require contractors to make reports to the Board containing such items of information as will better enable the Board to enforce these rules and regulations, or as will better enable the Board from time to time to amend the rules and regulations, The rules may require contractors to furnish reports to owners containing such matters of information as the Board deems necessary to promote the purpose of these regulations;
 - (D) Suspend or revoke any license for any cause prescribed by these regulations, or for any violation of law or these regulations, and refuse to grant any license for any cause which would be ground for revocation or suspension of a

license;

- (E) Contract for professional testing services to prepare, administer and grade such examinations and tests for applicants as may be required for the purposes of these regulations. The Board shall determine the scope and length of such examinations and tests, whether they shall be oral, written or both, and the score that shall be deemed a passing score.

1.4 FORCE AND EFFECT. These Regulations and the Rules of Professional Conduct when adopted by the Board shall be binding upon all persons and entities registered under the Laws of the Commonwealth of the Northern Mariana Islands and shall be applicable to all sole practitioners, partnerships, corporations, associations and joint ventures. No person except those exempted shall practice any contracting business unless registered hereunder.

1.5 RULES OF ORDER. The latest edition of the Robert Rules of Order shall govern the normal proceedings of the Board.

1.6 EXEMPTIONS. These regulations shall not apply to:

- (A) An officer or employee of the United States and officers or employees of the Commonwealth while in the performance of their governmental duties;
- (B) Any person acting as a receiver, trustee in bankruptcy, personal representative, or any other person acting under any order or authorization of any court;
- (C) A person who sells or installs any finished products, materials, or articles of merchandise which are not actually fabricated into and do not become a permanent fixed part of the structure, or to the construction, alteration, improvement, or repair of personal property;
- (D) Any project or operation for which the aggregate contract price for labor, materials and all other items is less than \$500.00. This exemption shall not apply in any case wherein

the undertaking is only a part of a larger or major project or operation, whether undertaken by the same or different contractor or in which a division of the project or operation is made in contracts of amount less than \$500.00 for the purpose of evading these regulations otherwise;

- (E) A registered architect or professional engineer acting solely in the person's professional capacity;
- (F) Any person who engages in the activities herein regulated as an employee with wages as the person's sole compensation;
- (G) Owners or lessees of property who build or improve residential, farm, industrial, or commercial buildings or structures on property for their own use, for use by their grandparents, siblings, or children and do not offer the buildings or structures for sale or lease. In all actions brought under this paragraph, proof of sale or lease, or offering for sale or lease, of the structure within one year after completion is prima facie evidence that the construction or improvement of the structure was undertaken for the purpose of sale or lease; provided that this shall not apply to residential properties sold or leased to employees of the owner or lessee; provided further that in order to qualify for this exemption the owner or lessee must register on forms provided by the Board for the exemptions and obtain Board approval.

1.7 **VIOLATION AND PENALTY.** Any persons who violates, or omits to comply with any of the provisions of these rules and regulations shall be fined not more than \$5,000 per day of violation or imprisoned not more than one year, or both.

PART II. DEFINITIONS

- 2.1 "Board" means the Board of Professional Licensing.
- 2.2 "Contractor" means any person who by oneself or through others offers to undertake, or holds oneself out as being able to undertake,

or does undertake to alter, add to, subtract from, improve, enhance, or beautify any realty or construct, alter, repair, add to, subtract from, improve, move, wreck, or demolish any building, highway, road, railroad, excavation, or other structure, project, development, or improvement, or do any part thereof, including the erection of scaffolding or other structures or works in connection herewith.

2.3 "Contractor" includes a subcontractor, and any person, general engineering, building or specialty contractor who performs construction work.

2.4 "Foreman/Supervisor" is a person who has the knowledge and skill of a journeyman and also directly supervises the physical construction.

2.5 "Home Improvement and Renovation Contracting" means undertaking or holding oneself out of being able to undertake directly or indirectly renovation, remodeling, repairing, or otherwise improving a residential property for compensation.

2.6 "Home Improvement and Renovation Salesman"

(A) Home Improvement and Renovation Salesman means an individual who, as a representative of a home improvement contractor solicits for or negotiates a home improvement contract.

(B) Any individual representing more than one principal or acting on his own behalf as a home improvement and renovation salesman shall be treated for all purposes hereunder as a contractor and shall be required to hold a proper license.

2.7 "Journeyman" is an experienced worker in the trade who is fully qualified as opposed to a trainee, and is able to perform the trade without supervision; or one who has completed an apprenticeship program.

2.8 "Owner/Builder" is a person who has the knowledge and skills of a journeyman and performs work on his/her property.

2.9 "Owner Builder Exemption" means an owner or lessee of property is

exempt from the contractors license law if the structure to be built is for the owner's or lessee's own personal use and not for use or occupancy by the general public; that any building so built is not offered for sale or lease in entirety or in part within one year after its completion and that the owner or lessee registered and received Board approval for the exemption.

2.10 "Person" means an individual, partnership, joint venture, corporation, or any combination thereof. "Corporation" includes an association, business trust or any organized trust or any organized group of persons whether or not registered as a corporation in the CNMI.

2.11 "RME" means Responsible Managing Employee.

(A) A Responsible Management Employee means the individual responsible for the direct management of the contracting business of the licensee. A RME must be a bona fide employee of the contracting entity that maintains a current contractors license and is qualified for the contractors license in the license classifications held by the individual.

(B) Contracting entities may have in their employ one or more than one RME but shall designate in every case a principal RME who shall be primarily responsible for the direct management of the business of the contracting entity and shall be:

(1) In a position to secure full compliance with the contractors license law and these regulations;

(2) Familiar with all contracts the contracting entity enters into and sees that all contract provisions are carried out by signing all contracts;

(3) Familiar with all projects the contracting entity undertakes and sees that records are kept on the projects, which shall include the amount of time the principal responsible managing employee spends with the contracting entity and payroll record of the

principal responsible managing employee;

- (4) In residence in the CNMI during the time the license of the contracting entity is in effect or during the period a project is under construction.
- (C) Other RMEs employed but not designated by the contracting entity as the principal RME shall be referred to as subordinate RMEs and shall be responsible for all activities relating to the classifications held by the subordinate RME.
 - (D) RMEs shall not be considered as a contracting entity and shall be considered to be engaged in unlicensed activity should the RME enter into a contract other than for the contracting entity by whom the RME is employed.
 - (E) An individual may be a principal responsible managing employee for more than one contracting entity if:
 - (1) There is a common ownership of at least fifty-one per cent of the equity of each contracting entity for which the person acts as the principal responsible managing employee; or
 - (2) A contracting entity is a subsidiary of a joint venture with another contracting entity; or
 - (3) There is a direct family relationship between the principal responsible managing employee and the officers or directors of another contracting entity for which the individual acts as principal responsible managing employee; or
 - (4) The board is satisfied that it is in the public's interest and that the individual is competent, able, and qualified to be a principal responsible managing employee for more than one contracting entity.

2.12 Direct management of the contracting business means the general supervision of the construction projects undertaken by the licensee,

the control of technical and administrative decisions, personnel management, the review of construction contracts, and enforcing compliance with all laws and rules affecting the contracting business.

PART III. PROCESSING LICENSE APPLICATIONS

3.1 APPLICATION FOR LICENSE.

- (A) Each applicant for a contractor's license shall fully complete the application form and submit all supporting documents before the application will be accepted. The application is designed to obtain from the applicant the following:
- (1) A complete statement of the general nature of the applicant's contracting business;
 - (2) If the applicant is an individual, the applicant's name and address; if a partnership, the names and addresses of all partners; if a corporation, the names and addresses of the responsible managing employee, and all officers; if a joint venture, the names and addresses of the parties thereto and their officers and responsible managing employee. Persons acting in any of the capacities set forth in this paragraph shall be deemed to be personnel of the applicant;
 - (3) A complete record of all previous experience of the applicant (individual or responsible managing employee) in the field of construction; and
 - (4) Whether the applicant or the applicant's personnel or anyone the applicant or the applicant's personnel has been associated with in the contracting vocation has ever been licensed or had a professional or vocational license refused, suspended, terminated, forfeited, or revoked.
- (B) Nothing in this section shall limit the Board's authority to

seek from an applicant or applicant's personnel or associates any other information pertinent to the character, experience, reputation for honesty, truthfulness, financial integrity, and fair dealing, and past and future methods of doing business as may be deemed necessary in order to pass upon the applicant's qualifications.

- (C) As part of the application for licensing hereunder and as a condition of licensing, the licensee shall appoint the Board Administrator as his/her/its agent for service of process in any relevant matters when the licensee cannot be personally served in the CNMI.

3.2 INDIVIDUAL LICENSES REQUIRED. Responsible Management Employee must be licensed. The corporation, partnership or joint venture which employs him must also be licensed as a contractor. Home Improvement and Renovation Salesman must be licensed.

3.3 APPLICANT'S RESPONSIBILITY TO FURNISH INFORMATION.

- (A) Each individual, responsible managing employee, officer, director, or partner of an applicant or of its joint ventures shall furnish the information requested in the prescribed application form. Any trade name used by a contractor shall have been previously registered with the Business License Section of the Department of Commerce and Labor and shall be filed with the Board of Professional Licensing. In the event of any change of information provided on the application, the applicant or the licensee shall notify the board in writing within thirty days of any change. Every application shall be signed by the individual applying if applicant is an individual; if a partnership, by a copartner; if a corporation or joint venture, by its president or its authorized representative; and by all other persons concerning whom information is given in the application form. All persons signing the application shall swear to the truth of the statements contained therein before a notary public. Evidence of the authority of an authorized representative of a joint venture or corporation shall be filed with its application.

- (B) Every applicant shall be required to furnish the Board with the following documents:
- (1) If the applicant is an individual, sworn certificates of not less than two (2) persons who have known the applicant for a period of not less than two (2) years, certifying that the applicant bears a good reputation for honesty, truthfulness and fair dealings;
 - (2) Not less than three (3) notarized letters certifying the individual's or responsible managing employee's experience qualifications;
 - (3) A current credit report on the individual applicant, on each partner and the responsible management employee or partnerships; on each member of the responsible management employee of a joint venture; and on the corporate entity and the responsible management employee of a corporation;
 - (4) Proof of financial solvency, (Bank letter of credit attesting to solvency or financial statement from the Bank);
 - (5) Tax clearance or proof of payment from the Department of Revenue and Taxation;
 - (6) In the case of an applicant who is:
 - (a) A corporation organized and existing under the laws of the CNMI, a file-stamped copy of the articles of incorporation on file with the Registrar of the Attorney General's Office;
 - (b) A partnership, a file-stamped copy of the partnership agreement on file with the Registrar of the Attorney General's Office;
 - (7) Evidence that applicant has obtained Workmen's Compensation insurance;

- (B) In the event of any change on these documents at any time, the licensee shall notify the Board in writing within thirty days of any change of information.
- (C) The Board, or its employee or designee, has the right to inspect any and all relevant information or records of an applicant or licensee. The applicant or licensee consents to such inspection, where reasonable, as a condition to the granting of a license hereunder.

3.4 NO LICENSE ISSUED. No license hereunder shall be issued to:

- (A) Any person unless the person has filed an application therefor;
- (B) Any individual unless the individual is age eighteen years or more; and
- (C) Any person who does not possess a good reputation for honesty, truthfulness, financial integrity, and fair dealing; provided that any person who during the five years prior to application has failed to satisfy an undisputed debt or a judgement relating to services or materials rendered in connection with operations as a contractor shall be presumed not to possess a good reputation for financial integrity.

3.5 DENIAL OF LICENSE APPLICATION.

- (A) The Board shall deny issuance of a license when any application is insufficient or incomplete or where the applicant has failed to provide satisfactory proof that the applicant:
 - (1) Meets the qualifications;
 - (2) Is qualified by experience or training for the license sought;
 - (3) Has the financial capacity and responsibility to operate as a contractor.
- (B) The Board may deny issuance of a license when the applicant is

known to have committed any of the acts for which a license may be suspended or revoked. An application for a license shall be automatically rejected and the applicant shall be denied issuance of a license when:

- (1) The applicant or RME for the applicant, after having been notified to do so, fails to appear for the examination or reexamination, whichever the case may be. The Board Administrator, upon receiving a written request, may postpone the examination, provided, that in no case shall the examination period extend over six months;
- (2) The applicant, after having been notified to do so, fails to comply with any of the requirements in the law or rules and regulations of the Board within thirty (30) days from date of notification;
- (3) Any application for a license that has been denied shall remain in the possession of the Board for two years and shall not be returned.

3.6 RECONSIDERATION OF DISAPPROVAL OF APPLICATION. An applicant whose application for a license has been disapproved by the Board may petition the Board for reconsideration of that disapproval only upon the following terms and conditions:

- (1) The petition for reconsideration shall be in the form of a letter, with attachments as necessary to provide documentation of the petitioner's reason for reconsideration where appropriate, filed with the Board within forty-five (45) days of the date of the notice of disapproval.
- (2) A reconsideration shall be limited only to those cases where the petitioner demonstrates in his/her letter that the Board's disapproval should be reconsidered for one or more or more of the following reason:
 - (a) Mistake of fact or law;
 - (b) New evidence effective on or before date of

application which by due diligence could not have been submitted by the applicant before notice of disapproval;

(c) Any other evidence or reason justifying a petition for reconsideration.

(3) Only one petition for reconsideration shall be accepted by the Board.

(4) Upon receipt of the applicant's petition and accompanying documentation under the reasons set forth above, the Board in its discretion, may reconsider its disapproval and notify the applicant of its decision in writing.

3.7 JOINT VENTURE. No further licensing is required when all parties to the joint venture submit evidence to the Board that they hold current licenses. The Board shall issue a license to a joint venture for the classification in which one of its members thereof is licensed.

PART IV. QUALIFICATIONS

4.1 EXPERIENCE REQUIREMENT. Every individual applicant must have had, within the past ten (10) years immediately preceding the filing of an application, not less than four (4) years experience as a journeyman, foreman, supervising employee or contractor in the particular field of contracting in which the applicant intends to engage as a contractor. Corporations, partnerships and joint ventures must qualify through a RME who meets these experience requirements.

4.2 CRITERIA FOR ACCEPTABLE TECHNICAL TRAINING, COMPLETION OF AN APPROVED APPRENTICESHIP PROGRAM OR RELATED COLLEGE/UNIVERSITY EDUCATION.

Acceptable technical training in an accredited school or completion of an approved apprenticeship program or related college/university education may be substituted for a portion of the required experience. In no case shall experience credit exceed three years of the required four years experience. The balance of the required experience must be practical experience at a level of knowledge and

skill expected of a journeyman in the classification for which application is being made. An applicant who wishes to claim training, apprenticeship, or education in lieu of practical experience must submit supporting documents, as described below, for evaluation:

- (A) A maximum of 1 1/2 years upon submission of:
 - (1) transcripts for an A.A. degree from an accredited school/college in Building/Construction Management (an additional 1/2 year of experience may be credited for evidence of course work involving actual on-site construction).

- (B) A maximum of 2 years upon submission of:
 - (1) transcripts for a 4-year degree from an accredited college/university in the fields of: Accounting, Business, Economics, Mathematics, Physics or areas related to the specific trade/craft for which application is being made; or
 - (2) transcripts for a professional degree in Law; or
 - (3) college/university official transcripts of record which verify substantial course work in Accounting, Architecture, Business, Construction Technology, Drafting, Economics, Engineering, Mathematics, or Physics.

- (C) A maximum of 3 years upon submission of:
 - (1) transcripts for a 4-year degree from an accredited college/university in Architecture, Construction Technology or any field of Engineering which is directly related to the classification for which application is made; or
 - (2) transcripts for a 4-year degree from an accredited college/university in the field of

Horticulture/Landscape Horticulture for the C-28
Landscaping Contractor classification; or

- (3) a Certificate of Completion of Apprenticeship from an accredited apprenticeship program or certified statement of completion of apprenticeship training from a union in the classification for which application is being made.

4.3 POWER OF THE BOARD TO APPROVE OTHER EXPERIENCE/TRAINING. The Board in its discretion, may approve certain technical training or business administration training as acceptable experience, but in no case will such training count as more than one (1) year of experience. The Board in its discretion, may accept reasonably equivalent knowledge, training or experience of the applicant in lieu of a specific experience requirement if, upon investigation, it makes a detailed finding to that effect.

PART V. FEES

5.1 FORM OF FEE. Every application for a license shall be accompanied by the appropriate fees which may be in the form of a money order or check made payable to the CNMI Treasurer.

5.2 SCHEDULE OF FEES.

A. Application Fees

Initial Application..... \$ 50.00
Application for Additional Classification..... \$25.00
More than one classification may be requested on a single
application without additional fee.
Re-consideration Application..... \$25.00

B. Examination administration Fee..... \$50.00
Exam fee as determined by contract between the Board and a
professional testing service.

C. License Fees for Contractor's License:

License to act as General Engineering Contractor..... \$200.00
License to act as General Building Contractor..... 200.00

- License to act as Specialty Contractor.....200.00
- D. License for Responsible Management Employee:
 - License to act as RME in General Engineering Contractor.. 150.00
 - License to act as RME in General Building Contractor..... 150.00
 - License to act as RME in Specialty Contractor..... 150.00
- E. Annual Renewal Fee
 - Contractor's License..... \$100.00
 - R.M.E..... 75.00
- F. Inactive License..... \$50.00

Upon written request by a contractor and for good cause, the Board shall place an active license in an 'inactive' status. The license, upon payment of the annual inactive license fee, may continue inactive for a period of three (3) years (fee paid annually), after which time it must be reactivated at any time within the three (3) year period by fulfilling the requirements for renewal, including the payment of the appropriate renewal fee.

- G. Duplicate License.....\$25.00

PART VI. CLASSIFICATIONS

6.1 CLASSIFICATION. For the purpose of classification, the contracting business includes any or all of the following branches:

- (A) General Engineering Contractor;
- (B) General Building Contractor;
- (C) Specialty Contractor..

- (A) A general engineering contractor is a contractor whose principal contracting business is in connection with fixed works requiring specialized engineering knowledge and skill, including the following divisions or subjects: irrigation, drainage, water power, water supply, flood control, inland waterways, harbors, docks and

wharves, shipyards and ports, dams and hydroelectric projects, levees, river control and reclamation works, railroads, highways, streets and roads, tunnels, airports and airways, sewers and sewage disposal plants and systems, waste reduction plants, bridges, overpasses, underpasses and other similar works, pipelines and other systems for the transmission of petroleum and other liquid or gaseous substances, parks, playgrounds and other recreational works, refineries, chemical plants similar industrial plants requiring specialized engineering knowledge and skill, powerhouses, power plants and other utility plants installations, mines and metallurgical plants, landlevelling and earthmoving projects, excavating, grading, trenching, paving and surfacing work and cement and concrete works in connection with the above mentioned fixed works.

(B) A general building contractor is a contractor whose principal contracting business is in connection with any structure built, being built, or to be built, for the support, shelter, and enclosure of persons, animals, chattels, or movable property of any kind, requiring in its construction the use of more than two unrelated building trades or crafts, or to do or superintend the whole or any part thereof.

(C) A specialty contractor is a contractor whose operations as such are the performance of construction work requiring special skills and whose principal contracting business involves the use of specialized building trades or crafts.

(A) **GENERAL ENGINEERING CONTRACTOR:** Licensees who hold the "A" General Engineering Contractor classification shall automatically hold the following specialty classifications without further examination or additional fees:

Asphalt Paving & Surfacing
Cement Concrete
Concrete Paving & Surfacing

Demolition
Excavating, Grading & Trenching
Fencing
Housing & Building Moving & Wrecking
Pest Control
Pile Driving & Foundation
Post Tensioning/Prestress
Septic Tank
Sewer, Sewage, Disposal Drain, Cement Pipe Laying
Solar
Stone Masonry
Welding
Classified Specialties

- (B) **GENERAL BUILDING CONTRACTOR:** Licensees who hold the "B" General Building Contractor classification shall automatically hold the following specialty classifications without further examination or additional fees:

Aluminum Roofing & Siding
Cabinet, Millwork & Carpentry Remodeling & Repairs
Carpentry Framing
Demolition
Drywall
House & Building Moving & Wrecking
Institutional & Commercial Equipment
Lift Slab
Limited House Improvement & Renovation
Pest Control
Spray, Texture Coating
Stone Masonry
Wood Flooring
Wood Shingle & Shake
Classified Specialties

- (C) **SPECIALTY CONTRACTOR:** Licensees who hold the "C" Specialty Contractors License shall automatically hold the subclassifications of the licensee's particular specialty without examination or paying additional fees:

Acoustical Tile
Aluminum Shingle & Siding
Asphalt Paving & Surfacing
Boiler, Hot Water Heating & Steam fitting
Cabinet, Millwork & Carpentry Remodeling & Repairs
Carpentry Framing
Carpet Laying
Cement Concrete
Concrete Paving & Surfacing
Demolition
Drywall
Electrical
Pole & Line
Electrical Sign
Electronic System
Elevator Installation
Excavating, Grading & Trenching
Fencing
Fire & Burglar Alarm
Fire Protection
Floor Covering
Glazing
Gunite
House & Building Moving & Wrecking
Institutional & Commercial Equipment
Insulation
Landscaping
Lathing
Lift Slab
Limited House Improvement & Renovation
Masonry
Ornamental Metal
Painting & Decorating
Pest Control
Pile Driving & Foundation
Plastering
Plumbing
Post Tensioning/Prestress
Prefabricated Steel Building
Reconditioning Concrete Water & Sewer Lines

Refrigeration
Reinforcing Steel
Roofing
Septic Tank
Sewer, Sewage Disposal Drain; Cement Pipe Laying
Sheet Metal
Solar
Spray, Texture Coating
Stone Masonry
Structural Pest Control
Structural Steel
Swimming Pool
Tile
Warm Air Heating, Ventilating & Air Conditioning
Water Chlorination
Water Proofing
Welding
Well Drilling
Wood Flooring
Classified Specialist

6.2 SUB-CLASSIFICATIONS DEFINITIONS: The scope of work of each specialty contractor subclassification shall be as follows:

- C-1 Acoustical Tile Contractor: An Acoustical Tile Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to execute preparatory work necessary to bring surfaces to a condition where acoustical tile can be laid thereon and to lay such tile by the use of adhesive or other acceptable installation media and to install metal suspension members and place acoustical materials for suspended ceilings.
- C-2 Aluminum Shingle and Siding Contractor: An Aluminum Shingle and Siding Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to install aluminum shingles and siding so that an acceptable water-tight surface is obtained.
- C-3 Asphalt Paving and Surfacing Contractor: An Asphalt Paving and Surfacing Contractor is a Specialty Contractor whose contracting

business is the execution of contracts requiring the ability to intelligently proportion, mix and place paving and surfacing consisting of graded mineral aggregates bonded with asphalt or bituminous materials so that a firm, smooth surface suitable for roadways, runways and parking areas is obtained.

- C-4 **Boiler, Hot Water Heating and Steam Fitting Contractor:** A Boiler, Hot Water Heating and Steam Fitting Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently install fire-tube and water-tube power boilers and hot water heating boilers, including all fitting and piping, valves, gauges, pumps, radiators, convectors, fuel oil tanks, fuel oil lines, chimneys, fuels, heat insulation and all other devices, apparatus and equipment pertinent thereto.
- C-5 **Cabinet and Millwork Contractor:** A Cabinet and Millwork Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently cut, surface, join and frame wood and wood products into cabinet, case, sash, door, trim, non-bearing partition and such other mill products as are custom and usage accepted in the building and construction industry as cabinet and millwork. Included is the placing and finishing in buildings of such cabinet and millwork.
- C-6 **Carpentry Framing Contractor:** A Carpentry Framing Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to do carpentry framings. Such work to include floor framing and siding, roof framing including wood truss, roof sheathing and such other work as is by custom and usage accepted in the construction industry as carpentry framing. This classification also includes work of the Wood Flooring Contractor.
- C-7 **Carpet Laying Contractor:** A Carpet Laying Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently prepare floor surfaces to a condition where acceptable fabric floor covering can be laid thereon and to lay such covering.
- C-8 **Cement Concrete Contractor:** A Cement Concrete Contractor is a Specialty Contractor whose contracting business is the execution of

contracts requiring the ability to intelligently proportion and mix aggregates, cement and water to make acceptable concrete and to pour, place and finish same including the placing and setting of screens and forms including driveways and sidewalks. Excluded is the work covered by classification Paving and Surfacing Contractor.

C-9 Septic Tank Contractor: A Septic Tank Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to excavate and install septic tanks in compliance with the requirements of the Department of Environmental Quality (DEQ).

C-10 Concrete Paving and Surfacing Contractor: A Concrete Paving and Surfacing Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently proportion, mix and place paving and surfacing consisting of graded mineral aggregates bonded with cement so that a firm, smooth surface suitable for roadways, runways and parking areas is obtained.

C-11 Demolition Contractor: A Demolition Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently demolish all types of building or structure from the premises on which it was built.

C-12 Drywall Contractor: A Drywall Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently install gypsum wallboard systems and sheathing; to tape and fill joints and indentations of wallboard with simulated acoustic or gypsum texture to not include the work of the Painting and Decorating or Plastering Contractors.

C-13 Electrical Contractor: An Electrical Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to place, install, erect or connect any electrical wires, fixtures, appliances, apparatus, raceways or conduits and lines which transmit, transform or utilize electrical energy. This classification also includes the work of the Fire and Burglar Alarm Contractor.

- C-14 Pole and Line Contractor:** A Pole and Line Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to dress, ground, anchor and erect poles designed to carry electrical wires and to connect and string electrical wires and fixtures and apparatus to and between such poles. A Electrical Contractor classification is a prerequisite to obtaining this classification.
- C-15 Electrical Sign Contractor:** An Electrical Sign Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently fabricate, install and erect electrical signs.
- C-16 Electronic System Contractor:** An Electronic System Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently install, maintain, repair and service electronic equipment and electronic controls for public address, intercommunication, master antenna and music distribution systems. Electronic controls to include those controls in conjunction with other specialty contracting work.
- C-17 Elevator Installation Contractor:** An Elevator Installation Contractor is a Specialty contractor whose contracting business is the execution of contracts requiring the ability to intelligently fabricate, erect and install sheave beams motors, sheaves, cable and wire rope, guides, cab, counter weight, doors including sidewalk elevator doors, hydraulic systems, automatic and manual controls, signal systems and all other devices, apparatus and equipment apputenances for the sage and efficient installation and operation of electrical, hydraulic and manually-operated elevators.
- C-18 Excavating, Grading and Trenching Contractor:** An Excavating, Grading and Trenching Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently dig, move and place earthen materials for a cut, fill, grade or trench, including the use of explosives in connection therewith.
- C-19 Fencing Contractor:** A Fencing Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring

the ability to intelligently assemble, fabricate and install metal fencing gates.

- C-20 Fire and Burglar Alarm Contractor:** A Fire and Burglar Alarm Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently install, maintain and repair fire and burglar alarm systems.
- C-21 Fire Protection Contractor:** A Fire Protection Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently lay out, fabricate and install approved types of fire prevention and protection systems including all mechanical apparatus, device, piping and equipment appurtenant thereto except electrical devices, apparatus and wiring which shall be installed by specialty contractors in the classifications C-13 or C-15. The licensee shall have the ability to comply with applicable provisions and requirements of the local authorities having jurisdiction.
- C-22 Floor Covering Contractor:** A Floor Covering Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently prepare floor surfaces to a condition where he can lay acceptable flooring with the use of linoleum, rubber, vinyl, cork, asphalt, plastic aluminates or such other materials as are by custom and usage in the construction industry known as composition flooring.
- C-23 Glazing Contractor:** A Glazing Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently cut glass and to glaze frames, panels, sash and doors. It shall also include fabrication and installation of shower doors, tub enclosures, metal jalousies, store front metal and trim plastics, tempered glass doors including such items as frames and hardware and any allied products not stipulated above but affiliated with the glass and glazing industry.
- C-24 Gunite Contractor:** A Gunite Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently proportion and mix aggregates, cement and water and to pneumatically apply and finish the mix including

the setting of ground wires and pencil rods to establish the finished surface planes.

- C-25 House and Building Moving and Wrecking Contractor:** A House and Building Moving and Wrecking Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently raise and underpin buildings so that alterations, additions, repairs and new sub-structures may be built under the permanently retained portions of such buildings and to move or wreck buildings provided, however, that wrecking shall be limited to those buildings which could otherwise be moved in whole or not more than three sections.
- C-26 Institutional and Commercial Equipment Contractor:** An Institutional and Commercial Equipment Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to install laboratory equipment, floor services equipment, folding and sliding partitions, stationary metal partitions, and such other equipment and materials as are by custom and usage accepted in the construction industry as institutional and commercial equipment work. Excluded is the work done by classifications Electrical and Plumbing Contractors.
- C-27 Insulation Contractor:** An Insulation Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently install any insulating media in buildings and structures for the sole purpose of temperature control.
- C-28 Landscaping Contractor:** A Landscaping Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the art and ability to intelligently prepare plots of land for architectural horticulture and to provide decorative treatment and arrange gardens, lawns, shrubs, vines, bushes, trees and other decorative vegetation; construct conservatories, hot and green houses, drainage and sprinkler systems and ornamental pools, tanks, fountains, walls, fences and walks; arrange, fabricate and place garden furniture, statuary and monuments in connection herewith.
- C-29 Lathing Contractor:** A Lathing Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring

the ability to intelligently apply wood and metal lath, or any other materials which provide a key or suction base for the support of plaster-coating; including the light gauge metal shapes for the support of metal or other fireproof lath.

- C-30 Lift Slab Contractor: A Lift Slab Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently lift or lower concrete slabs or prefabricated steelwork, in a vertical dimension, into predesignated positions through the use of jacks.
- C-31 Limited Home Improvement and Renovation Contractor: A Limited Home Improvement and Renovation Contractor is a Specialty Contractor whose contracting business is the execution of home improvement and renovation contracts requiring the ability to intelligently perform the carpentry work to remodel and/or to make repairs to existing buildings or structures and to do any other work which would be incidental and supplemental to such remodeling or repairing. This contractor shall be licensed only for contractors not exceeding Five Thousand Dollars (\$5,000.00).
- C-32 Masonry Contractor: A Masonry Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently select, cut and lay brick and other baked clay products, rough stone, cut and dressed stone, artificial stone and precast blocks, structural glass brick or block, laid at random or in courses with or without mortar.
- C-33 Ornamental Metal Contractor: An Ornamental Metal Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently cast, cut, shape, forge, weld, braze, solder, fabricate any metal used in the building and construction industry for the architectural treatment and ornamental decoration of buildings and structures; but shall not include the work of a Sheet Metal Contractor or Structural Steel Contractor.
- C-34 Painting and Decorating Contractor: A Painting and Decorating Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently

prepare surfaces, including the taping of joints in wallboard, and to apply acceptable finishes thereon with the use of paints, varnishes, shellaces, stains, fillers, waxes and any other vehicles and materials that may be mixed and applied as finish to surfaces of buildings including texture coatings and coverings.

- C-35 Pest Control Contractor:** A Pest Control Contractor is a Specialty Contractor whose contracting business is the execution of pest control contracts requiring a practical knowledge of the life cycles, habits and habitat of wood destroying insects and house-hold pest and such knowledge of construction as will enable him to determine where the insects or pests are and the proper method to use in ridding a building or such insects or pests. This classification does not include the work of the Structural Pest Control Contractor.
- C-36 Pile Driving and Foundation Contractor:** A Pile Driving and Foundation Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently drive pilings of wood, concrete or steel to cut off same and prepare pilings for permanent foundations.
- C-37 Plastering Contractor:** A Plastering Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to prepare mixtures of sand, gypsum, plaster, quicklime or hydrated lime and water, or sand and cement and water, or a combination of such other materials as created a permanent surface coating; including coloring for same, and to apply such mixtures by use of a plasterer's trowel, brush or spray gun to any surface which offers a mechanical key for support of such mixture, or to which such mixture will adhere by suction; and to apply lath or any other material that will provide a base for such mixture.
- C-38 Plumbing Contractor:** A Plumbing Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently install supply water piping systems, waste water piping systems and fuel gas piping systems, the fixtures for these systems and the venting for waste water piping systems and fuel gas piping systems; within such structures and works where people or animals live, work and assemble.

- C-39 Post Tensioning Contractor:** A Post Tensioning Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently apply compression to concrete structures or various components by the use of steels, bars or wires and to bring such bars or wires to proper tension after the structures or components are built to placed.
- C-40 Reconditioning Concrete Pipeline Contractor:** A Reconditioning Concrete Pipeline Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently recondition or restore concrete water or sewer lines through the use of manually or machine-applied grout.
- C-41 Refrigeration Contractor:** A Refrigeration Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently construct, erect and install devices, machinery and units including temperation insulation units, ducts, blowers, registers, humidity and thermostatic controls for the control of air temperature below fifty degrees fahrenheit (50 F) in refrigerators, refrigerator rooms and insulated refrigerator spaces.
- C-42 Reinforcing Steel Contractors:** A Reinforcing Steel Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently fabricate, place and tie steel reinforcing bars (rods) of any profile, perimeter or cross-section, that are or may be used to reinforce concrete buildings and structures.
- C-43 Roofing Contractor:** A Roofing Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently prepare surfaces and apply a water-tight covering to such surfaces with the use of any or all of the following: Asphalt, pitch, tar, felt, glass, fabric, flax, composition, shingles, roof tile, slate and such other materials that are established by use and custom as suitable for a watertight cover. This classification includes the work of the Waterproofing Contractor, but does not include the work of the Aluminum Roofing and Siding Contractor or the Wood Shingle and Shake Contractor.

C-44 Sewer, Sewage Disposal, Drain, Cement Pipe Laying Contractor: A Sewer, Sewage Disposal, Drain, Cement Pipe Laying Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently fabricate concrete and masonry sewers, sewage disposal concrete and masonry sewers, sewage disposal and drain structures, packaged sewer disposal plants, sewage lift stations, septic tanks and appurtenances thereto; to lay iron, steel, concrete, vitreous and non-vitreous pipe; including the excavation, grading, trenching, backfilling, paving and surfacing in connection therewith.

C-45 Sheet Metal Contractor: A Sheet Metal Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently cut, shape, fabricate and install sheet metal such as corniches, flashings, gutters, ladders, rainwater downspouts, pand, kitchen equipment, duct work and metal flues.

C-46 Spray Texture Coatings Contractor: A Spray Texture Coatings Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently prepare surfaces and apply acceptable texture coating finishes, but shall not include the work of the Painting and Decorating or the Plastering Contractor.

C-47 Stone Masonry Contractor: A Stone Masonry Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently select, cut and dress stone, and to construct ornamental walls, veneer walls and structural walls or columns from such stones; to lay stone in such manner that an acceptable paved surface is obtained and to construct stone retaining walls with or without mortar, sufficient in strength and weight to retain the earth which it was built to retain.

C-48 Structural Pest Control Contractor: A Structural Pest Control Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring a practical knowledge of the life cycles, habits and habitats of wood destroying insects and household pests; the ability to destroy same and to intelligently repair any damage resulting from such insects and pests. This

classification includes the work of the Pest Control Contractor.

C-49 Structural Steel Contractor: A Structural Steel Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently fabricate and erect structural steel shapes, bars, rods and plates or any profile, perimeter or cross-section that are or may be used as structural members for buildings and structures, including reventing, bolting, welding and rigging in connection therewith.

C-50 Swimming Pool Contractor: A Swimming Pool Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to construct swimming pools and such other work as is by custom and usage accepted in the construction industry as are necessary for the construction of such pools.

C-51 Tile Contractor: A Tile Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently prepare a base upon which ceramic and other tile work, including all pseudo ceramic tile products, will adhere by suction or by adhesive and to install such tiles.

C-52 Warm Air Heating, Ventilating and Air Conditioning Contractor: A Warm Air Heating, Ventilating and Air Conditioning Contractor is a Specialty Contractor whose business is the execution of contracts requiring the ability to intelligently fabricate and install warm air heating and cooling systems, complete air conditioning systems except for those air conditioning systems requiring refrigeration as an integral part of the system.

C-53 Solar Contractor: A Solar Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to place, install and erect apparatus for heating, water heating, air conditioning, refrigeration or other devices powered by solar energy or conversion of solar energy to electromotive forces used to to be used for structures or in conjunction with any classification or specialties listed in these rules and regulations. Prerequisites for this classification are: Electrical Contractor, Plumbing Contractor and Refrigeration Contractor or Warm Air

Heating, Ventilating and Air Conditioning Contractor.

- C-54 Water Chlorination Contractor: A Water Chlorination Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to chlorinate water lines so that tests approved by the Environmental Quality of the Department of Public Health and Environmental Services meet the standard of that department and is acceptable to them.
- C-55 Waterproofing Contractor: A Waterproofing Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently apply felt, flax, glass, asphaltum, pitch, latex or other materials or any combination of any thereof to surfaces to prevent, hold, keep and stop water vapor from penetrating and passing such materials.
- C-56 Welding Contractor: A Welding Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently use gases and electrical energy or other heating media, fluxes and metal rods to cause materials to become fused or jointed together.
- C-57 Well Drilling Contractor: A Well Drilling Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring some practical elementary knowledge or geology, hydrology, the occurrence of water in the ground, water levels in wells; the prevention of surface and sub-surface contamination and pollution of the ground-water supply; and the ability to intelligently bore, drill, excavate, case, cement, clean and repair waterwells with hand to power tools or rigs.
- C-58 Wood Flooring Contractor: A Wood Flooring Contractor is a Specialty Contractor whose contracting business is the execution of contracts requiring the ability to intelligently lay and repair wood floor and to finish such floors by sanding, filling and sealing.
- C-68 Classified Specialist: A Classified Specialist is a Specialty Contractor whose operations as such is in the performance of construction work requiring special skills and whose contracting business involves the use of specialized building trades in crafts not

listed above and who meets the standards set by the Board for such classification.

PART VII. SCOPE OF CLASSIFICATIONS

7.1 GENERAL ENGINEERING, GENERAL BUILDING AND SPECIALTY CONTRACTOR.

- (A) Any person who qualifies by written examination after the effective date of these regulations for a General Engineering Contractor's License shall automatically be deemed to hold or be qualified for a license in the construction crafts and trades listed under Part VI, Section 6.1.

In addition, the General Engineering Contractor may install poles in all new pole lines and replace poles where circuits of 600 volts or less are involved; provided that framing, installation of the ground wires, insulators and conductors are performed by an electrical contractor holding a Pole and Line Contractor classification.

- (B) Any person who qualifies by written examinations after the effective date of these regulations for a General Building Contractor's License shall automatically be deemed to hold or be qualified for a license in the construction crafts and trades listed under Part VI, Section 6.1.
- (C) Any person who holds or qualifies for a Specialty Contractor's License shall automatically be deemed to hold or be qualified for the subclassification of his particular specialty.

7.2 LIMITATION OF CLASSIFICATIONS. All license classifications are subject to the following limitation:

- A. A licensee classified as a General Engineering Contractor or as a General Building Contractor shall not act, assume to act or advertise as a Specialty Contractor except in specialties for which he is licensed.

- B. A General Building Contractor licensee entitles the holder to undertake a contract with one or more unrelated building trades or crafts.
 - C. A licensee classified as a Specialty Contractor shall not act, assume to act or advertise as a contractor in any classification (s) other than those in which he is licensed.
 - D. General Building Contractors and Specialty Contractors holding proper licenses need not have a Limited Home Improvement and Renovation Contractors license to engage in home improvement and renovation contracting in their own field.
 - E. Any licensee who acts, assumes to act, or advertises in any classification other than for which the licensee is duly licensed shall be construed to be engaged in unlicensed activity.
- 7.3 WORK INCIDENTAL AND SUPPLEMENTAL. Nothing contained in this article shall prohibit the performance of a contract in the classification in which any contractor is licensed by the Board.
- 7.4 ADDITIONAL CLASSIFICATION. A licensee may obtain additional classifications by filing an application and meeting the requirements regarding experience in the classification requested.

PART VIII. EXAMINATIONS

- 8.1 EXAMINATION - PART I. All applicants for a contractor license shall be required to take and pass a written examination designed to test the applicant's general knowledge of the building, safety, health, labor, and lien laws of the CNMI and of the administrative principles of the contracting business.
- 8.2 EXAMINATION - PART II. Separate specific written examinations shall be given for each classification (if available) in order to test the applicant's specialized knowledge in the field in which the applicant desires to be licensed.

- 8.3 ORAL EXAMINATIONS. Oral examinations may be given in lieu of written examinations in exceptional cases by express approval of the Board. The applicant shall be responsible for obtaining an interpreter, who shall not have been or is in the construction business, and shall pay a fee in addition to the examination fee.
- 8.4 WAIVER OF EXAMINATION - PART I. If the applicant is licensed in one of the 50 states of the United States of America, he/she will only be required to take Examination Part I. Part II is exempted. A copy of the current license certification or card is required as evidence for the exemption of Part I.
- 8.5 NOTICE OF EXAMINATION. All applicants whose applications have been approved shall be given an application for examination and shall be notified on date of examination scheduled.
- 8.6 TIME AND PLACE OF EXAMINATION. The Board shall set the time and place for the examination. The Board is authorized to select the examinations in the classification applied for from a list of examinations approved by the Board; fix the time allotted to examinees; and determine the manner and conditions under which the examination shall be given which shall be uniform for all applicants for a particular classification.
- 8.7 PASSING GRADE. A grade of seventy-five percent (75%) shall be a minimum passing grade for each part of any examination.
- 8.8 FAILURE TO PASS EXAMINATION. Applicants failing to obtain a passing grade on the first examination may schedule a second examination with additional fees. Applicants who fail to pass the examination within six months shall file a new application and application fee.

PART IX. RENEWAL OF LICENSES

- 9.1 NOTICE OF RENEWAL. License shall be renewed on an annual basis. Renewal of license shall be no later than April 30 of each year. A renewal notice shall be mailed by the Board to the last known address of each licensee a month before expiration of license.

9.2 FAILURE TO SUBMIT RENEWAL APPLICATION. A renewal application must be made upon forms prescribed by the Board. Failure to apply for renewal or if any of the fees or required documents are not filed or application is not complete or proper on or before April 30 of each year shall automatically void a license and would require a licensee to submit an original application satisfying Part III of these rules and regulations. Renewal application or fees paid by mail shall be deemed to be filed with the Board if the envelope bears a postmark of April 30 or earlier.

9.3 PROPER FILING AUTHORIZES CONTRACTOR TO OPERATE. The proper filing of a renewal application authorizes a contractor to continue operation until the actual issuance of the renewal license for the ensuing fiscal year; provided, the license of said applicant is not otherwise under suspension by reason of the decision of the Board in a disciplinary proceeding.

9.4 SUSPENSION. No license which is under suspension by order of the Board or by operation of law shall be renewed until the suspension has been lifted and in such a case the filing of a renewal application form does not authorize operation as a contractor until the actual issuance of the renewal license.

9.5 BOARD MAY REFUSE TO RENEW. The Board may refuse the issuance of a renewal license for failure or refusal on the part of the licensee to file the renewal application form prescribed by the Board or to comply with the rules and regulations as set forth by the Board.

9.6 CONDITIONS FOR RENEWAL OF LICENSE.

(A) A renewal of license will not be made until the applicant establishes that he continues to have financial integrity. Financial integrity means financial responsibility and having the financial capacity to operate a construction business. To establish financial integrity the licensee shall submit a CNMI tax clearance and a notarized statement disclosing or denying the existence of any liens, undisputed debts or judgements against the licensee relating to services or materials rendered in connection with operations as a contractor. The Board may, at the time of renewal, consider any material submitted to it

concerning a licensee's financial integrity and shall give the licensee an opportunity to respond before the Board to any allegations made concerning the licensee's financial integrity.

- (B) The applicant must also show proof of financial solvency by providing a bank letter of credit or the latest financial statement.
- (C) If at the time of renewal after examination of such materials as well as other information brought to its attention the Board has reasonable cause to believe that an applicant has not maintained satisfactory financial integrity, the Board shall, by registered mail, notify the applicant stating the allegations upon which such a finding may be made and setting a place for Board's decision, an applicant may continue to do business on his existing license subject to such action as may be taken by the Board to suspend the applicant's privilege of operation.

PART X. REVOCATION, SUSPENSION AND LAPSE OF LICENSES

10.1 CAUSES FOR REVOCATION OR SUSPENSION.

- (A) The Board may revoke any license issued hereunder, suspend the right of the licensee to use such licenses, or refuse to renew any such license for any of the following causes:
 - 1. Conviction of any felony or misdemeanor involving moral turpitude;
 - 2. Any dishonest, fraudulent or deceitful act as a contractor which causes substantial damage to another;
 - 3. Pursuing a continued and flagrant course of misrepresentation or of making false promises through advertising or otherwise;
 - 4. Abandonment of any construction project or operation without reasonable or legal excuse;
 - 5. Willful departure from or willful disregard of plans or specifications in any material respect without consent of the owner or his duly authorized representative,

- which is prejudicial to a person entitled to have the construction project or operation completed in accordance with such plans and specifications;
6. Willful violation of any CNMI law relating to building, including any violation of any applicable rule or regulation of the Department of Public Health and Environmental Services or of any applicable safety or labor law or regulations;
 7. Failure to make and keep records showing all contracts, documents, records, receipts and disbursements by a licensee of all his transactions as a contractor for a period of not less than three (3) years after completion of any construction project or operation which the records refer or to permit inspections of such records by the Board;
 8. When the licensee being a partnership or joint venture permits any member of such partnerships or joint venture who does not hold a license to actively participate in the management of the contracting business;
 9. When the licensee being a corporation permits any officer or employee of such corporation who does not hold a license to have the direct management of the contracting business;
 10. Misrepresentation of a material fact by an applicant to obtain a license;
 11. Failure of a licensee to complete in a material respect any construction project or operation for the agreed price if such failure is without legal excuse;
 12. Willful failure in any material respect to comply with these regulations;
 13. Willful failure or refusal to prosecute a project or operation to completion with reasonable diligence;
 14. Willful failure to pay when due a debt incurred for services or materials rendered or purchased in connection with his operations as a contractor;
 15. False denial of any debt due or the validity of the claim therefore with the intent to secure for licensee, his employer or other person any discount of such debt or with intent to hinder, delay or defraud the person to

- whom such debt is due;
16. Failure to secure or maintain workmen's compensation insurance;
 17. Entering into a contract with an unlicensed contractor involving work or activity for the performance of which licensing is required under this regulations it being the duty to determine that a license exists;
 18. Fails to pay employees wages and/or the abandonment of alien workers to become a burden on the government;
 19. Upon certification of failure of payment of taxes by the Department of Revenue and Taxation; or
 20. If licensee is found guilty of any fraud or deceit in obtaining his license;
 21. Any significant violation of any applicable Board Regulations.
- (B) Any person including a Board member, may prefer charges in writing with the Secretary of the board against any person holding a license. The charges, unless dismissed without hearing by the Board as unfounded or trivial, shall be heard and determined by the Board within three (3) months after the date on which they were filed, and at a time and place to be fixed by the Board.
- (C) A copy of the charges, together with the notice of the time and place of hearing, shall be sent by registered mail to the accused at least thirty (30) days before the time fixed for hearing, and such mailing to the last known place of business or residence of the accused shall be sufficient service.
- (D) It shall require a unanimous vote of the members of the Board present at the hearing in order to find the accused guilty of the charges preferred, and if found guilty the Board shall, in its discretion, either revoke or suspend the license of the accused. An abstention shall not affect the unanimous vote of other members.
- (E) No license shall be suspended for longer than two (2) years and no person whose license is revoked shall be eligible for a new

license until the expiration of two (2) years. At such time, an original application shall be submitted and must meet the requirements of this rules and regulations.

10.2 INVESTIGATION.

- (A) The Board may investigate applicants for contractors license in any lawful manner. As part of the application form, the applicant consents to an investigation of his/her records and other relevant data.
- (B) For purposes of this section, the Board in cooperation and in conjunction with the Department of Public Works, Department of Revenue and Taxation, Department of Public Health and Environmental Services and the Department of Labor may have investigative powers for purposes of carrying out the intent of this section.

10.3 ENFORCEMENT. The Board may initiate disciplinary or legal action in cases where licensee's action, may be in violation of the provisions of the law or these regulations. It is the duty of the Attorney General of the Commonwealth of the Northern Mariana Islands to enforce compliance with the law.

10.4 CONVICTIONS.

- (A) Any licensee or applicant for a license who has been fined, received a reprimand, had a license to practice revoked, suspended or denied by another jurisdiction for reasons or causes which this Board finds would constitute a violation of the law or any provision of these regulations governing the contracting business in the Commonwealth shall be subject to fine, reprimand, revocation or suspension by this Board of the license to practice in the Commonwealth.
- (B) It is the duty of each applicant or licensee to report such conviction to the Board within ten (10) days following entry of such conviction, notwithstanding any appeal.

10.5 HEARINGS AND APPEALS.

- (A) In every case where it is proposed to refuse to grant a license or to revoke or suspend a license or to refuse to renew a license, the Board shall give the person concerned notice and hearing in conformity with the applicable law and regulations.
- (B) An applicant who has been refused a license and every licensee whose license has been suspended, revoked, or not renewed may appeal the Board's decision to the Superior Court in which the applicant or licensee resides.

10.6 NOTICE DUE BOARD UPON DEATH, DISSOCIATION OR DISABILITY.

- (A) A licensee whose contracting business is under the direct management of an RME shall within thirty (30) days of death, dissociation or disability of such RME to notify the Board of such death, dissociation or disability. If notice is given, the license shall remain in force for a reasonable length of time, not less than thirty (30) days from such death or dissociation to be determined by the Board.
- (B) Disability includes any situation in which the direct management of licensee's contracting business is no longer under the control of RME.
- (C) Failure of the licensee to notify the Board within thirty (30) days shall result in the license being automatically suspended without a hearing. The license may be reinstated when the licensee qualifies another individual as his RME.

10.7 BOARD JURISDICTION TO PROCEED. The lapsing or suspension of a license by operation of law, by order or decision of the Board or a court of law, or by the voluntary surrender of a license by the licensee shall not deprive the Board of jurisdiction to proceed with any investigation of or action or disciplinary proceeding against such licensee or to render a decision suspending or revoking such license.

PART XI. OWNERSHIP AND MANAGEMENT OF LICENSE

- 11.1 LICENSE NON-TRANSFERABLE. A license issued by the board shall not be transferable. No licensee shall permit his contracting business to be under the direct management of an unlicensed RME.
- 11.2 CHANGE IN MANAGEMENT PERSONNEL. Any change in the management personnel of the licensee as listed in the licensee's most recent application shall be reported to the Board within ten (10) days of such change.
- 11.3 REVOCAION, SUSPENSION, TERMINATION, WITHDRAWAL, FORFEITURE AND REFUSAL TO RENEW LICENSE OF RME. The License of the RME may be suspended, revoked, terminated, withdrawn, forfeited, or refused to be renewed if the license of the contracting entity for which the person is the RME is revoked, terminated, withdrawn, forfeited, suspended, or refused renewal.

PART XII. DISCLOSURE TO OWNERS BY HOME IMPROVEMENT AND GENERAL BUILDING CONTRACTORS

- 12.1 DISCLOSURE TO OWNERS. Contractors engaging in home improvement, home building and renovation contracting shall, prior to obtaining a binding contract from the homeowner:
- A. Disclose information pertaining to the contract and its performance which might mislead the homeowner to his detriment.
 - B. Provide homeowner with a copy of the contract form that will be the same as is on file with the Board.
 - C. Disclose approximate percentage work to be subcontracted.
 - D. Disclose whether bonded or not; if not, the extent of financial security available to assure performance of the contract.
 - E. Disclose the contractor's license number and contractor classification.

12.2 HOMEOWNER CONTRACT.

- (A) All contractors shall provide homeowners with a written contract which shall provide a clear statement of:
1. The contractors license number and classification;
 2. The exact dollar amount due from the homeowner under the contract;
 3. The date work is to commence and number of days for completion;
 4. The scope of work to be performed and materials to be used;
 5. Approximate percentage of work to be sub-contracted; and
 6. Must provide a clear statement of the risk of loss of any payments made to a salesman or contractor (printed in distinct capital letters next to the owner's signature line).
- (B) A list of salesmen employed by the contractor and kept current by the contractor. Salesmen so listed shall be recognized as representing the contractor and shall sign their true name along with the contractor to each contract they negotiate. A contractor obtaining work through a salesman not listed as his employee may be held in violation of these rules and regulations.
- (C) Signatures of the licensee.

PART XIII. PLACE OF BUSINESS

- 13.1 PLACE OF BUSINESS. No license shall be issued or renewed by the Board to any person except contractors and /or RME'S who do not maintain a permanent place of business within the CNMI wherein he may be served with notice, legal proceedings and wherein his license is prominently displayed.
- 13.2 CHANGE OF ADDRESS. The licensee shall notify the Board of any change of address within thirty (30) days of such change.

PART XIV. ADVERTISING PRACTICES

- 14.1 ADVERTISING. It is in violation of these regulations for any person to advertise with or without any limiting qualifications as a contractor unless such person holds a valid license for the good and services advertised. "Advertise" as used in this section includes, but is not limited to, the issuance of any card, sign, or device to any person; the causing, permitting, or allowing of any sign or marking on or in any building, vehicle or structure or advertising through the media.
- 14.1 ADVERTISING THROUGH THE MEDIA. A contractor advertising through any media shall be identified as a licensed contractor by listing the name under which the licensee is licensed or the licensee's trade name which has been filed with the Board and the licensee's license number. For the purpose of this section, "media" means newspapers, magazines, and telephone directories including all listings in the yellow pages or commercials broadcast through radio or television or any other means of dissemination.

PART XV. RESPONSIBILITY FOR GOOD WORKMANSHIP

- 15.1 RESPONSIBILITY OF GOOD WORKMANSHIP. No licensee may, by failing to prepare written specification or otherwise, relieve himself or attempt to relieve himself of the responsibility of good workmanship.
- 15.2 IDENTIFICATION DISPLAY. All contractors must display a sign and building permit on all building project sites identifying the licensee performing the project, title of the project, licensee's phone number, etc.



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
REAL ESTATE APPRAISERS
OF THE
BOARD OF PROFESSIONAL LICENSING

The Board of Professional Licensing hereby notifies the General Public that it proposes to amend the Regulations for Real Estate Appraisers. 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 5th day of March, 1992.

Juan Q. Inos
CHAIRMAN
Board of Professional Licensing

FILED
at the
OFFICE of the ATTORNEY GENERAL
DATE: <u>3/10/92</u>
TIME: <u>2:00</u> AM (PM)
BY:
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
REAL ESTATE APPRAISERS
|
BOARD OF PROFESSIONAL LICENSING

I Board of Professional Licensing ginen este, ha nutitisia i publiku put i proponi na u amenda i Regulasion para Real Estate Appraisers. Hayi interesao na petsona siña mañule kopian i mapropoponi na amendasion gi Ufusinan Board of Professional Licensing.

Hayi malago' mamatinas komentu put i mapropoponi na amendasion, siña ha ma cho'gue gi halom trenta (30) dias despues di mapublika huyong este na nutisia gi Commonwealth Register. Debi u ma tuge' papa este siha na komentu ya u mana hanao guatu gi sigiente na address:

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

Ma fecha' guine na dia 9th Matso, 1992.

Juan Q. Inos
CHAIRMAN
Board of Professional Licensing

FILED
at the
OFFICE of the ATTORNEY GENERAL
DATE: <u>3/10/92</u>
TIME: <u>2:00</u> AM (PM)
BY:
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 IGHA EBWE
YOOR LLIWEL MEIÍÓL AIIÉGHÚL
REAL ESTATE APPRAISERS
NGALI
BOARD OF PROFESSIONAL LICENSING

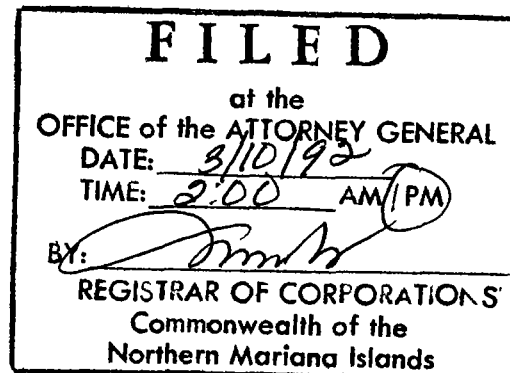
Schóól Board of Professional Licensing rekke arongaar towlap igha rebwe ayoora lliiwel mellól Alleghúl Real Estate Appraisers. Aramas ye e tipáli nge emmwel ebweló bweibwogk kkopiyał allégh yeel mellól Bwulasiyool Board of Professional Licensing.

Aramas ye emwuschál nge emmwel ebwe ishiitiw meta tipaer me mángemángiir reel Allégh yeel nge emmwel schagh rebwe féerú llól eliigh (30) rál sáangi igha e toowow arongorong mellól Commonwealth Register, nge raa afanga ngáli:

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

E fféer llól ráálil ye 9th Mótso, 1992.

Juan Q. Inos
CHAIRMAN
Board of Professional Licensing





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
AMENDMENTS TO THE
REGULATIONS FOR
REAL ESTATE APPRAISERS
OF THE
BOARD OF PROFESSIONAL LICENSING

I, Juan Q. Inos, Chairman, of the Board of Professional Licensing which is promulgating the Regulations for Real Estate Appraisers hereinabove set forth, by signature below hereby certify that such amendment to the Regulations are true, complete, and correct copy of the Regulations for Real Estate Appraisers 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 5th day of March, 1992, at Saipan, Commonwealth of the Northern Mariana Islands.

Juan Q. Inos
CHAIRMAN
Board of Professional Licensing

FILED	
at the	
OFFICE of the ATTORNEY GENERAL	
DATE:	<u>3/10/92</u>
TIME:	<u>2:00</u> AM/PM
BY:	
REGISTRAR OF CORPORATIONS Commonwealth of the Northern Mariana Islands	

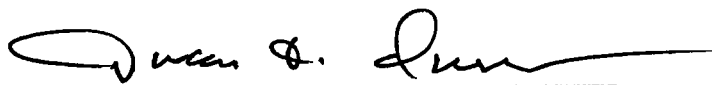
THE FOLLOWING ARE THE PROPOSED AMENDMENTS TO THE REAL ESTATE APPRAISERS REGULATIONS:

Part 1.2. The following sentence is added: "These Regulations take effect on December 31, 1992."

Part 2.14. Delete "December 31, 1991" and insert "December 31, 1992."

Part 4.2. (B) Delete "July 31, 1992" and insert "December 31, 1992."

No further amendments are proposed.



Juan Q. Inos
CHAIRMAN
Board of Professional Licensing



COMMONWEALTH HEALTH CENTER

OFFICE OF THE DIRECTOR

GOVERNMENT OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF PUBLIC HEALTH-ENVIRONMENTAL SERVICES

CERTIFICATION OF RULES REGARDING INCREASE HOSPITAL MEDICAL SERVICE FEES

I, Dr. Jose L. Chong, the Director of the Department of Public Health and Environmental Services, which is promulgating the Rules regarding Hospital Medical Service Fees published in the Commonwealth Register on January 15, 1992 at pages 8666 to 8737, by signature below hereby certify that such Rules are a true, complete, and correct copy of the Rules regarding Increased Hospital Medical Service Fees formally adopted by the Department of Public Health and Environmental Services. I further request and direct that this Certification be published in the Commonwealth Register and then be attached by both the Office of the Registrar of the Corporations and Office of the Governor to the Rules Regarding Increased Hospital Medical Service Fees referenced above.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 17th day of February, 1992 at Saipan, Commonwealth of the Northern Mariana Islands.

Signature: _____

Dr. Jose L. Chong, Director
Department of Public Health and
Environmental Services

Date: _____

2/17/92

FILED
at the
OFFICE of the ATTORNEY GENERAL
DATE: 2/17/92
TIME: 1:45 AM/PM
BY: <i>[Signature]</i>
REGISTRAR OF CORPORATIONS
Commonwealth of the Northern Mariana Islands

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENTAL SERVICES

PUBLIC NOTICE

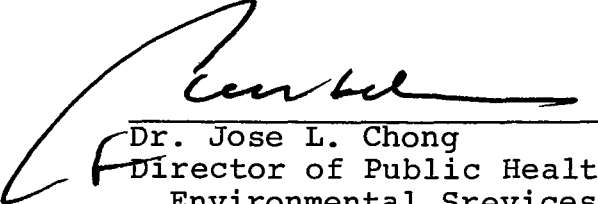
ADOPTION OF THE AMENDMENT ON HOSPITAL MEDICAL SERVICE FEES
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENTAL SERVICES

In accordance with Public Law 1-8, Chapter 12, Section 4, the Department of Public Health and Environmental Services (DPH&ES), has the authority to adopt rules and regulations it may deem necessary in all matters over which it has jurisdiction. The Director of the Department has the responsibility to promulgate and implement these rules and regulations.

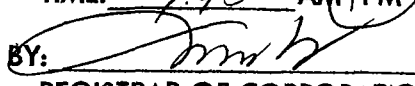
In accordance with this authority, the Director adopted the amended Hospital Fee Schedule for the provision of medical services. It is the intent of the Department to establish and amend fees with full public knowledge and consideration. The Department has adopted and established the following service fees:

- A. Medical Services
 - a. Professional Services
 - b. Respiratory Therapy
 - c. Physical Therapy
- B. Surgical and Anesthesia Services
- C. Maternity Care and Delivery Services
- D. Laboratory and Pathology Services
- E. Radiology Services
- F. Room and Board and Other Fees
- G. Dental Services

Copies of the adopted Fee Schedule may be obtained from the Director's Office at the Commonwealth Health Center.


Dr. Jose L. Chong
Director of Public Health and
Environmental Services

Date: 2/18/92

FILED
at the
OFFICE of the ATTORNEY GENERAL
DATE: <u>2/27/92</u>
TIME: <u>1:45</u> AM/PM
BY: 
REGISTRAR OF CORPORATIONS
Commonwealth of the Northern Mariana Islands

NUTISIAN PUBLIKU

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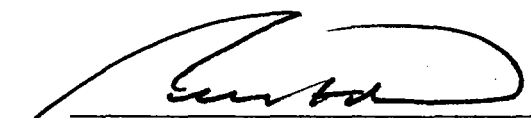
DEPATTAMENTON I HINEMLO YAN I SETBISION ENVIRONMENTAL

Sigun gi Lai Publiku 1-8, Kapitulu 2, Seksiona 4, i Depattamenton i Public Health yan i Environmental Services (DPH&ES), guaha atoridad-na na para ufama' tinas areklamento siha ni man nisisario gi para i mina'lek i Depattamento. I Direktod, guaha fuetsa-na na para hu cho'gue este siha na areklamento.

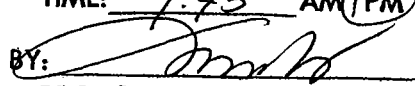
Sigun gi sinangan yan i atoridad, I Direktod ha adapta na para humaenda probinsion i apas i setbision mediku. I Depattamento ha adapta para hu tulaika osino ha establesi i apas para i sigiente siha na setbisio:

- A. Setbision Mediku Siha
 - a. Professinat Na Setbisio
 - b. Respiratory Therapy
 - c. Physical Therapy
- B. Setbision Operation siha
- C. Ma Atienden i man managu yan man mapotge' siha
- D. Setbision Labatorio
- E. Setbision Radiology siha
- F. Kuatto, nengkano yan otro siha na apas
- G. Dental Services

I kopian este na amendasion, sina ma'chu'le ginen i ufusinan i Direktod gi Commonwealth Health Center.


Dr. Jose L. Chong
Director of Public Health and
Environmental Services


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ARONGORONGOL TOWLAP

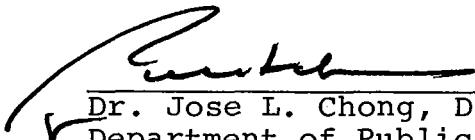
Adaptaal Lliiwelil Alleghul Espitood Reel Abwossul Medical Service Bwulasiyool Public Health Me Environmental Services.

Reel aileewal alleghul towlap ye (Public Law 1-8, Chapter 12, Section 4, nge Dipatamentool Public Health Fengal me Environmental Services (DPHS&ES), eyoor bwangil bwe ebwe ffeer me bweibwogh allegh reel milikka ebwe fil ngali mwoghutughutul me lemelemil bwulasiyo yeel reel meta kka ebwe emmwelil tepengiir aramas reel. Samwoolul Bwulasiyo yeel, nge emmwel ngali me eyoor bwangil bwe ebwe feeru me alegheleghulo allegh kkaal.

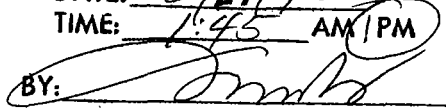
Reel aileewal me bwangil, nge Direktood aa adaptaalil lliiwelil abwossul espitood me sedbisyool. Bwulasiyo yeel aa adapta me feerii abwossul tappal kka faal:

- A. Medico me akkaaw alillis
 - a. Professional me akkaaw alillis
 - b. Respiratory Therapy
 - c. Physical Therapy
- B. Alillisil tittil me anesthesia
- C. Ammweler mal bwoobwo me mal lailai
- D. Alillisil Laboratorio me Pathology
- E. Alillisil Radiology
- F. Kuatto, mungo me akkaaw alillis
- G. Dental Serives

KKoopiyal adaptal abwos kkaal nge emmwel aramas ebwello bweibwogh mellol Bwulasiyool Direktoodul Commonwealth Health Center.


Dr. Jose L. Chong, Director
Department of Public Health
& Environmental Services


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