CHAPTER 145-40
LAND COMPENSATION CLAIMS RULES AND REGULATIONS

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Chapter Authority: 2 CMC § 4750.


Commission Comment: PL 12-33 (effective Dec. 5, 2000), the “Board of Public Lands Act of 2000,” and PL 12-71 (effective Nov. 13, 2001) transferred the authority to manage, use, and dispose of surface and submerged public land to a new Marianas Public Lands Authority, under the direction of a Board of Public Lands Management. The Marianas Public Lands Authority became the successor agency to the Marianas Public Lands Corporation.

Public Law 15-2 (effective February 22, 2006), codified at 1 CMC §§ 2801-2809, replaced the Marianas Public Lands Authority with the Department of Public Lands within the executive branch. PL 15-2 repealed all provisions of Public Laws 10-57, 12-33, and 12-71 applicable to public lands.

PL 15-2 changed all references in the Commonwealth Code from the Marianas Public Lands Corporation, Division of Public Lands, Office of Public Lands or the Marianas Public Lands to the “Department of Public Lands.” PL 15-2 § 4 [Commission comment to 1 CMC § 2801]. Public Law 15-64, effective May 30, 2007, changed all references in the Commonwealth Code from Board of Public Lands to “Secretary of Public Lands.” PL 15-64 § 4. For a complete history of the authority over public lands in the Commonwealth see the general comment to chapter 10 of this title.


The regulations set forth in this chapter were adopted by the Board of Directors for the Marianas Public Lands Authority in May 2003.

Part 001 - General Provisions

§ 145-40-001 Authority
The rules and regulations (regulations) in this chapter are hereby promulgated by the Board of Directors for the Marianas Public Lands Authority, Commonwealth of the Northern Mariana Islands (Commonwealth), pursuant to its powers, duties, and authorities under Public Law 13-17, also known as the “Land Compensation Act of 2002,” effective July 23, 2002, as amended by Public Law 13-25, effective September 20, 2002, and Public Law 13-39, effective December 13, 2002.

Modified, 1 CMC § 3806(d).


§ 145-40-005 Purpose

The purpose of the regulations in this chapter is to provide for a comprehensive method of processing claims and disbursing monetary compensation to landowners whose lands had been taken by the Commonwealth for a public purpose, and for the efficient administrative hearing process pursuant to Public Law 13-17, effective July 23, 2002, as amended by Public Law 13-25, effective September 20, 2002, and Public Law 13-39, effective December 13, 2002.

Modified, 1 CMC § 3806(d), (f).


§ 145-40-010 Definitions

(a) “Acquire” (“Acquisition”). The act by which the Commonwealth first entered and used private land for a public purpose.

(b) “Administrative Procedure Act” (“APA”). The Commonwealth Administrative Procedure Act, codified at 1 CMC §§ 9101, et seq.

(c) “Appraisal”. The act or process of developing an opinion of value on privately owned land and improvement(s) at the time of taking.

(d) “Appraisal Report”. The written or oral communication of an appraisal; the document transmitted to the client upon completion of an appraisal assignment.

(e) “Appraisal Review”. The act or process of developing and communicating an opinion about the quality of another appraiser’s work.

(f) “Appraisal Reviewer”. The in-house MPLA or independent appraisal reviewer appointed by the Board who is a certified general real estate appraiser, licensed to practice in the Northern Mariana Islands; one who reviews the work of other appraisers for completeness, adequacy, relevance, appropriateness, and reasonableness in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).
(g)  “Appraiser”. A certified general real estate appraiser, licensed to practice in the Northern Mariana Islands.

(h)  “Board of Directors” (“Board”). The policy-making body for the Marianas Public Lands Authority responsible for the management, use and disposition of all Commonwealth submerged and surface public lands pursuant to Public Law 12-33, effective December 5, 2000, as amended by Public Law 12-71, effective November 13, 2001.

(i)  “Commissioner”. The MPLA Commissioner or his/her designee.


(k)  “Eligibility for Monetary Compensation”. The legal standing for which landowners are deemed qualified for monetary compensation after the Commonwealth has officially certified private land it acquired for public purposes, and after each claimant case file is officially deemed as complete and final by the Board as recommended by the Commissioner pursuant to § 145-40-101 of this chapter.

(l)  “Evidence of Clear Title”. The legal standing for which a landowner is duly registered as the legal owner of property acquired by the Commonwealth pursuant to the authoritative records of the Commonwealth Division of Land Registration and Survey, Office of the Commonwealth Recorder and, when necessary, the valid proof of clear title performed by a licensed title search company.

(m)  “Hearing Officer”. The in-house MPLA hearing officer including hearing officer(s) pro tempore appointed by the Board/Commissioner to conduct administrative hearings on land compensation claims as authorized by Public Law 13-25, and in accordance with the APA and part 200 of this chapter.

(n)  “Landowner or Owner”. A person of Northern Marianas descent duly registered as the legal owner(s) of real property taken or acquired by the Commonwealth, and the person, persons, entity, or entities qualified to receive monetary compensation pursuant to Public Law 13-17, as amended.

(o)  “Land Taking”. Land owned by persons of Northern Marianas descent as defined in article XII of the Commonwealth Constitution, and which had been taken by the Commonwealth for a public purpose.

(p)  “Marianas Public Lands Authority” (“MPLA”). The independent public corporation established under the control and general supervision of the Board pursuant to Public Law 12-33, as amended by Public Law 12-71, and headed by the Commissioner, to execute, implement, and enforce the Board’s policies, decisions, orders, and regulations.

(q)  “Market Value”. The most probable price as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property rights
should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeable, and for self-interest, and assuming that neither is under undue duress.

(r) “Monetary or Just Compensation”. The monetary payment offered to a landowner whose land had been taken by the Commonwealth for a public purpose; the amount of compensation offered to the owner based on the appraised market value of the land taken.

(s) “Other Claims”. Any other use of private land acquired by the Commonwealth for a public purpose as defined by 1 CMC § 121.

(t) “Outstanding Land Compensation Claims”. Unsettled land claims against the Commonwealth resulting from the Commonwealth’s acquisition of privately owned lands for a public purpose.

(u) “Party”. Any person named or admitted as a party, or properly seeking and entitled as of right to be admitted as a party, in a land compensation claim hearing proceeding against the Commonwealth pursuant to Public Law 13-17, as amended.

(v) “Person”. Any individual, partnership, corporation, association, clan, lineage, governmental subdivision, or public or private organization of any character other than the Commonwealth, who is a landowner disputing a written offer for just compensation by the Commissioner with respect to land taken by the Commonwealth for a public purpose.

(w) “Ponding Basin”. A natural or artificial depression on the soil surface having computed surface area and depth to contain volume of rainfall run-off from watershed or tributary areas within the proximity of roadway facilities.

(x) “Public Purpose”. The acquisition of private land for the public’s benefit as defined by 2 CMC § 4143(e)(1), (2) and (7), and (f).

(y) “Right-of-way”. The public right to pass over land owned by another, usually based upon an easement, path, or thoroughfare.

(z) “Time-of-taking”. The date the Commonwealth first entered and used private land for a public purpose. For purposes of establishing a benchmark year for the time-of-taking prior to the Covenant, all private land acquired by the Commonwealth’s predecessor, the Trust Territory government, for a public purpose before March 24, 1976 will be considered acquired on March 24, 1976.

(aa) “Wetland”. An area inundated or saturated by surface or groundwater with a frequency sufficient to support a prevalence of plant or aquatic life that require saturated or seasonally saturated soil conditions for growth and reproduction. Wetlands include swamps, marshes, mangroves, lakes, natural ponds, surface springs, streams, estuaries, and similar areas in the Northern Mariana Islands chain. (Office of Coastal Resources Management Rules and
Regulations promulgated pursuant to 2 CMC §§ 1501, et seq., the Coastal Resources Management Act of 1983 [NMIAC, title 15, chapter 10].

Modified, 1 CMC § 3806(c), (d), (f), (g).


Commission Comment: In subsection (b), the Commission changed “as” to “at” to correct a manifest error. In subsection (aa), the Commission changed “regulation” to “regulations” to correct a manifest error. The Commission inserted commas after the words “appropriateness” in subsection (f), “entity” in subsection (n), “implement” in subsection (p), and “agencies” in subsection (aa) pursuant to 1 CMC § 3806(g).

Part 100 - Processing of Claims and Methods of Disbursement of Monetary Compensation

§ 145-40-101 Acquisition

(a) All private property acquired by the Commonwealth must be made pursuant to 2 CMC § 4712, 2 CMC §§ 4141, et seq., and this section, as follows:

(1) Certification, Declaration or Determination to Acquire. The acquisition of private land for a public purpose as defined in 2 CMC § 4143(e)(2) shall originate at the Office of the Governor and must include the following:

(i) A certification by the Governor of the public use(s) or purpose(s) for which the Commonwealth is acquiring the land parcel(s), as provided in 2 CMC § 4143(e)(2); or a declaration or determination by the Legislature of the public use(s) or purpose(s) for which the Commonwealth is acquiring the land parcel(s), as provided in 2 CMC § 4143(e)(1);

(ii) Boundary survey(s) and/or legal description(s); and

(iii) Identification of encumbrances and disputes, if any.

(2) Evidence of Clear Title. There shall be a finding of clear title to the land acquired. The Commonwealth may require the owner to furnish a preliminary title report, which verifies that he/she has unencumbered title to the land to be monetarily compensated whenever there is insufficient title evidence as to his/her ownership of the land in question.

(3) Preliminary Acquisition Notice to Owner. The Office of the Governor shall issue a written preliminary acquisition notice to the owner. The notice, which must be sent by U.S. postal priority mail or hand delivered and acknowledged that it was delivered and received, shall:

(i) Inform the owner of the Commonwealth’s interest in acquiring his/her land and the public purpose for which it is needed; and

(ii) Inform the owner of Public Law 13-17 as amended, and the regulations in this chapter, and request written permission to survey and appraise the subject land.

(4) Survey and Appraisal of Private Land to Be Acquired.

(i) Upon receipt of the owner’s authorization, the Commonwealth shall survey the owner’s property, if necessary, and secure an approved plat. Concurrently, MPLA shall solicit and contract for an independent appraiser to appraise the property to be acquired in accordance with the Commonwealth Procurement Regulations.

(ii) MPLA shall give the appraiser reasonable time to complete the appraisal report. MPLA and the appraiser shall agree on the time for completion and submittal of the appraisal report upon execution of the agreement for appraisal assignment.
   (i) Upon completion and submittal of the appraisal report, MPLA shall either accept the report or require a review. If a review is required, the appraisal reviewer shall have 30 days to review the appraisal report for any deficiencies. The appraisal reviewer shall be given additional time for review if warranted.
   (ii) If the appraisal reviewer finds deficiencies in the appraisal report, MPLA shall notify the appraiser of such deficiencies, and give the appraiser reasonable time to make corrections.
   (iii) If the appraiser refuses to make corrections or change the appraisal report pursuant to the recommendations of the appraisal reviewer, then the appraiser shall submit in writing his/her reasons within 15 days from receipt of the appraisal reviewer’s report on deficiencies.
   (iv) If the appraiser refuses to make corrections or if the appraisal reviewer finds deficiencies after re-submittal, the appraisal reviewer shall submit his/her own recommendation as to the market value of the land.
   (v) MPLA shall determine the market value of the private land based on the appraiser’s report and the appraisal reviewer’s report, if any.
   (vi) MPLA may reject any appraisal report which it determines is unsatisfactory under the requirements of the regulations in this chapter.

(6) Written Offer to Owner.
   (i) Within 30 days after the determination of market value, MPLA shall transmit a written offer to the owner, which shall be sent by mail or delivered in person with proof of service. The written offer may include the following:
      (A) A recital of the market value of the private land; and
      (B) A copy of any approved appraisal report, subject to copying charges.
   (ii) All written offers shall be subject to approval by the Board.
   (iii) Within 60 days after receipt of the written offer, the owner must either accept or reject the written offer. MPLA shall deem the written offer rejected if the owner fails to respond within 60 days.
   (iv) If the owner rejects in writing the written offer, he/she shall have 30 days to present evidence relevant to the market value of his/her land. If MPLA determines that the evidence presented by the owner warrants a revision of the market value, MPLA may modify the determination of the market value, in consultation with the appraisal reviewer or with the appraiser.

(7) Land Compensation Settlement Agreement. If the owner agrees to the offer made in the course of the negotiations, MPLA and the owner shall enter into a land compensation settlement agreement, which shall be subject to the approval of the Board at the recommendation of the Commissioner, and include at least the following:
   (i) The agreed value of the owner’s land;
   (ii) The legal description of the owner’s land;
   (iii) The owner’s promise to warrant clear title to the land; and
   (iv) The signatures of the owner and the Board or its designee(s).

(8) Alternate Means of Acquisition. If the Commonwealth and an owner do not reach an agreement as provided in subsection (a)(7), the Commonwealth may proceed to acquire the private land by other legal means.

(9) Processing of Monetary Compensation. Within 15 days of the conclusion of negotiations, MPLA shall:
   (i) Prepare a warranty deed for the owner to convey title to his/her land to MPLA; and
(ii) Pay agreed compensation to the owner.

(10) Disposition of Acquisition Records, Documents and Reports. All materials for land compensation claims settlement should contain the following:

(i) Governor’s certification, or the declaration or determination by the Legislature of the public uses or purposes for which the private land is being acquired;

(ii) Preliminary acquisition notice to owner;

(iii) Owner response to acquisition notice;

(iv) Solicitation for appraisal;

(v) Selection and agreement for appraisal services;

(vi) Approved survey maps;

(vii) Approved appraisal report;

(viii) Appraisal reviewer’s recommendation;

(ix) Written offers to owner;

(x) Proof of service and/or acknowledgment;

(xi) Rejection/request for negotiations by the owner;

(xii) Owner’s acceptance of offer;

(xiii) Proof of clear title;

(xiv) Copy of notice published in the local newspaper or broadcast on local radio, with the dates of publications or broadcasts;

(xv) Land compensation settlement agreement;

(xvi) Warranty deed;

(xvii) Notice to owner to vacate land; and

(xviii) Any material pertaining to the land compensation.

(b) Impediments Affecting Land Claim. If MPLA determines that a claim contains issues affecting clear title or other impediments preventing timely processing of land acquisition and compensation, the claimant(s) shall be responsible for resolving these impediments. Until these impediments are resolved, MPLA may suspend processing of such claim and proceed to the next claim in priority. After the claimant(s) has resolved these impediments to the satisfaction of MPLA and in accordance with the regulations in this chapter, MPLA will resume processing the claim.

Modified, 1 CMC § 3806(d), (f), (g).


Commission Comment: In subsection (a)(1)(x), the Commission corrected the spelling of acknowledgment.

§ 145-40-105 Priority

Priority for compensation is pursuant to Public Law 13-17 § 4(d), based on the time of taking and compliance with the regulations in this chapter, in the following order:

(a) First, rights-of-way;

(b) Second, ponding basins; and
(c) Third, wetlands and other claims.

Modified, 1 CMC § 3806(d).


§ 145-40-110 Eligibility and Disbursement of Monetary Compensation

(a) The Commissioner shall deem a pending land claim settlement case file complete pursuant to this part, and shall thereafter submit it to the Board for approval.

(b) The Board shall approve land compensation settlements as complete before disbursement of monetary compensation. MPLA shall thereafter notify each land claimant of the Board’s official action, and shall dispose of each settlement case file upon the issuance of a payment check to each claimant.

(c) The Commissioner may advertise all land compensation settlement claims in various media prior to disbursement of payments.

Modified, 1 CMC § 3806(d).


Part 200 - Appeal; Administrative Hearing Procedure

§ 145-40-201 Hearing Officer

(a) Jurisdiction and Authority. Pursuant to Public Law 13-25 § 10, the hearing officer shall have jurisdiction and authority to conduct all hearings and issue final written findings, orders, or decisions on land compensation claims timely requested in writing by landowners who dispute the Commissioner’s written offer of just compensation.

(b) Conflict of Interest and Appearance of Partiality. In the event that the hearing officer has determined that a conflict of interest exists, he/she shall disqualify himself/herself, and request the Board/Commissioner to assign a hearing officer pro tempore to hear and issue written findings, order, or decision on the claim.

(c) Independent Judgment. The hearing officer, in carrying out his/her duties and responsibilities pursuant to the APA and the regulations in this chapter, shall exercise his/her independent judgment on the evidence before him/her, free from pressures by any party, MPLA Board members, MPLA staff, Commonwealth agencies or officials, or any person.

(d) Final Decision. The decision of the hearing officer is final, unless timely appealed to the Board.
§ 145-40-205 Hearing Conduct and Procedure

(a) Administrative Proceedings. The hearing officer shall conduct and regulate the course of all administrative proceedings, and issue decisions on claims timely filed by any landowner who disputes the method used to determine, or the amount of, just compensation offered by the Commonwealth to resolve a land compensation claim, in accordance with Public Law 13-17, as amended, the APA, and this part of this chapter.

(b) Written Request for Hearing. If, upon a written offer of just compensation, a landowner disputes the method used to determine, or the amount of, the just compensation offered by the Commonwealth to resolve the land compensation claim, the landowner shall have 20 days to make a written request to MPLA for an administrative hearing to protest the offer.

(c) Notice of Status and Scheduling Conference. Following a landowner’s timely filed written request for an administrative hearing, and within 30 days of the filing of the written protest by the landowner, the hearing officer shall issue a notice of status and scheduling conference. The notice shall be served in accordance with the Commonwealth Rules of Civil Procedure. The notice of status and scheduling conference shall include the following.

   (1) The date, time, and place of hearing;
   (2) The nature of the hearing;
   (3) The legal authority and jurisdiction under which the hearing is to be held;
   (4) The matters asserted;
   (5) The names of all parties and other persons to whom notice is being given by the hearing officer;
   (6) The official file or other reference number given to a particular claim; and
   (7) Notice to each party of their right to have an attorney represent them, at their own expense.

(d) Status and Scheduling Conference. The matters to be addressed at such conference are:

   (1) The possibility of a settlement;
   (2) Possible stipulations and admissions;
   (3) The setting of an evidentiary hearing; and
   (4) Such additional matters as may contribute to the orderly and expeditious resolution of the issues.

(e) Notice of Evidentiary Hearing. The hearing officer, during the status conference, shall set the date, time, and place for an evidentiary hearing. Following the status conference, the hearing officer shall issue a written notice for evidentiary hearing, which shall be served in accordance with the Commonwealth Rules of Civil Procedure. The notice shall include the following:

   (1) The date, time, and place of hearing;
(2) The nature of the hearing;
(3) The names of all parties and other persons to whom notice is being given by the hearing officer;
(4) The land compensation claim number;
(5) Notice to parties of their right to have an attorney represent them if they choose, at their own expense;
(6) The right to present witnesses; and
(7) The right to submit documents or other written evidence.

(f) Evidentiary Hearing. The hearing officer shall conduct evidentiary hearings on land compensation protests in order to make determinations on the questions involved in the protest. The hearing officer shall have the general power to:
(1) Issue subpoenas for attendance of witnesses;
(2) Issue subpoenas for production of documents;
(3) Administer oaths;
(4) Regulate the course of the hearing;
(5) Hold conferences for the settlement or simplification of the issues;
(6) Dispose of procedural requests or similar matters;
(7) Make or recommend orders or decisions in accordance with the APA; and
(8) Exercise other powers that may be necessary to effectively implement Public Laws 13-17 and 13-25.

Modified, 1 CMC § 3806(d), (f).


§ 145-40-210 Timing for Issuance of Findings, Decision and Order

The hearing officer shall issue his/her findings, order, or decision pursuant to 1 CMC §§ 9110, et seq., within 30 days after the hearing is completed.

Modified, 1 CMC § 3806(f).


Commission Comment: The Commission inserted a comma after the word “order” pursuant to 1 CMC § 3806(g).

§ 145-40-215 Appeal of Hearing Officer Findings, Decision or Order

Any party adversely affected by findings, order, or decision of the hearing officer may appeal in writing pursuant to Public Law 13-25 § 11.

Modified, 1 CMC § 3806(f).

§ 145-40-220  Judicial Review

Appeal from an order or decision of the Board shall be brought pursuant to Public Law 13-25 § 12.


Part 300 -  Miscellaneous Provisions

§ 145-40-301  Severability

If any provision of the regulations in this chapter shall be held invalid by a court of competent jurisdiction, the remainder of such regulations, other than those held invalid, shall not be affected.

Modified, 1 CMC § 3806(d).