

TITLE 4: ECONOMIC RESOURCES
DIVISION 5: BUSINESS REGULATION

§ 50131. Tobacco Control.

There is hereby established within Title 4, Division 5 a new Chapter 12 creating standards for tobacco control within the CNMI, including the licensing of businesses dealing in tobacco products. There is hereby created a Division with the Department of Commerce called the Alcohol Beverage and Tobacco Control Division, which shall be responsible for performing the duties and responsibilities for Alcoholic Beverage Control as well as those duties and responsibilities created in this chapter.

(a) *“Tobacco Products” Defined.* For purposes of this chapter “tobacco products” shall mean any product made or derived from tobacco that is intended for human consumption, including any component, part, or accessory of a tobacco product (except for raw materials other than tobacco used in manufacturing a component, part, or accessory of a tobacco product). The description of tobacco products are as follows: cigarettes; cigars; roll-your own-tobacco; pipe tobacco; hookah tobacco; smokeless tobacco; nicotine gels; dissolvables; vaporizers and other electronic nicotine delivery systems (ENDS).

(b) *License Required.* It shall be unlawful for any person, business, or organization to sell tobacco products in the Commonwealth of the Northern Mariana Islands without having first received an annual license therefore issued by the Department of Commerce, Alcohol Beverage and Tobacco Control Division; provided that this section shall not be construed to supersede any other law relating to licensing of persons and businesses engaged in the business of selling tobacco products of any sort, but shall apply concurrently with any other such laws.

(c) *Fees.* Such license shall be issued by the Department of Commerce, Alcohol Beverage and Tobacco Control Division, upon application therefore, and upon the payment of a fee based on the following tobacco license classifications:

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|---------|---------------------------------|-------|
| Class 1 | Wholesale Agent’s License | \$300 |
| Class 2 | Retail Dealer (General License) | \$100 |
| Class 3 | Retail Dealer (Vending Machine) | \$75 |
| Class 4 | Distributor (Vending Machine) | \$100 |

(d) *Power to Prescribe License Forms.* The Department of Commerce shall prescribe the form for all applications for licenses or renewal of licenses and other papers it shall require including verification, and the information to be contained in such application and other papers. It shall prescribe the place for posting licenses as well as signs.

(e) *Appropriation of License Fees.* All license fees collected by the Department of Commerce, Alcohol Beverage and Tobacco Control Division, shall be allocated to that Division for the purpose of the administration of the tobacco licensing program. The expenditure authority shall lie with the Secretary of Commerce. All such license fees collected shall be deposited into a revolving fund and any unused funds at the end of a fiscal year shall not lapse and shall be available without fiscal year

TITLE 4: ECONOMIC RESOURCES
DIVISION 5: BUSINESS REGULATION

limitation. Said funds shall not be reprogrammed or transferred back into the General Fund, or any other account.

Source: PL 11-75, § 3, modified; (a) amended by PL 19-32 § 4 (Feb. 11, 2016); amended subsection (a) by PL 21-40 § 4 (Jan. 21, 2021), modified.

Commission Comment: PL 11-75 that created this chapter took effect on March 26, 1999. PL 11-75 contained findings and purpose, effective date, severability, and savings clauses as follows:

Section 1. Findings and Purpose. The Legislature finds that current medical statistics indicate that the use of tobacco is on the rise among the minors of the Commonwealth. Current law already prohibits the use or possession of tobacco by minors and provides further for penalties associated with the violation of this law, however enforcement is lax to the point of the statute being of almost no practical effect. This situation cannot continue in the face of the enormous medical risk faced by young smokers. The legislature finds that it is the responsibility of parents, community, and government to make it clear to store owners, store clerks, and especially to minors that the provision of tobacco to minors, and the possession or use of tobacco or tobacco products by minors is unlawful and is not in the best interest of the CNMI youth population. The purpose of this legislation is to increase enforcement and penalties, to require establishments selling tobacco products to be licensed with the Department of Commerce, and provide further deterrent for the sale of tobacco to youths and use of tobacco by youths, all in an effort to effectuate a decrease of tobacco use and addiction by minors.

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Section 19. Effective Date. Persons, businesses and organizations in the CNMI shall have a 90-day grace period from the effective date of this Chapter to obtain the license mentioned herein for the sale of tobacco products.

Section 20. Severability. If any Section of this Act should be declared invalid by a court of competent jurisdiction, the remainder of this Act shall not be affected thereby.

Section 21. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence at the date this Act becomes effective.

PL 11-75 intended to create a new Chapter 8, but since Chapters 8, 9, and 10 were already established this chapter was renumbered to Chapter 12. The

TITLE 4: ECONOMIC RESOURCES
DIVISION 5: BUSINESS REGULATION

reference to Chapter 8 in the first paragraph of this section has been revised to reflect this change.

The Commission changed “tobacco products” to “tobacco products” in subsection (a) pursuant to 1 CMC § 3806(g).