



**Arnold I. Palacios**  
Governor

**David M. Apatang**  
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
**OFFICE OF THE GOVERNOR**

**GOV2025-218**

February 07, 2025

The Honorable Jude U. Hofschneider  
Chairman  
Tinian and Aguiguan Legislative Delegation  
Twenty-Fourth Northern Marianas Commonwealth Legislature  
Saipan, MP 96950

The Honorable Edmund S. Villagomez  
Speaker  
House of Representatives  
Twenty-Fourth Northern Marianas Commonwealth Legislature  
Saipan, MP 96950

Dear Mr. Chairman and Mr. Speaker:

This is to inform you that I have signed into law **House Local Bill No. 23-54, D2**, entitled, "To impose a 0.5% ad valorem local excise surtax for the privilege of importing construction materials from outside the Commonwealth by licensed construction contractors into the Second Senatorial District." The bill was passed unanimously by the Tinian and Aguiguan Legislative Delegation of the Twenty-Third Northern Marianas Commonwealth Legislature.

This Bill becomes **Tinian Local Law No. 23-22**. Copies bearing my signature are forwarded for your reference.

Sincerely,

  
**ARNOLD I. PALACIOS**  
Governor

cc: Lieutenant Governor; Attorney General; Commonwealth Law Revision; Secretary of Finance; Public Auditor; Special Assistant for Administration; Mayor of Tinian and Aguiguan; Programs & Legislative Review Office



**TINIAN AND AGUIGUAN LEGISLATIVE DELEGATION**  
**Second Senatorial District**  
*Twenty-Third Northern Marianas Commonwealth Legislature*

**Senator Karl R. King-Nabors, Chairman**  
**Senator Jude U. Hofschneider, Vice Chair**

**Senator Francisco Q. Cruz, Floor Leader**  
**Rep. Patrick H. San Nicolas, Legislative Secretary**

December 31, 2024

The Honorable Arnold I. Palacios  
Governor  
Commonwealth of the Northern Mariana Islands  
Honorable Juan A. Sablan Memorial Building  
Capitol Hill  
Saipan, MP 96950

Dear Governor Palacios:

I am honored to transmit for your action **House Local Bill No. 23-54, D2**, entitled, "To impose a 0.5% ad valorem local excise surtax for the privilege of importing construction materials from outside the Commonwealth by licensed construction contractors into the Second Senatorial District.", which was passed unanimously by the Tinian and Aguiguan Legislative Delegation, Twenty-Third Northern Marianas Commonwealth Legislature on its First and Final Reading, a quorum duly present during its 5<sup>th</sup> Day, Fourth Regular Session held on December 27, 2024.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Frances Joan P. Kaipat".

Frances Joan P. Kaipat  
Delegation Clerk

Enclosure







**TINIAN AND AGUIGUAN LEGISLATIVE DELEGATION  
SECOND SENATORIAL DISTRICT  
TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH LEGISLATURE  
FOURTH REGULAR SESSION, 2024**

**HOUSE LOCAL BILL NO. 23-54, D2**

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**A LOCAL BILL FOR AN ACT  
FOR THE SECOND SENATORIAL DISTRICT**

To impose a 0.5% ad valorem local excise surtax for the privilege of importing construction materials from outside the Commonwealth by licensed construction contractors into the Second Senatorial District.

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**OFFERED BY**

**Representative Patrick H. San Nicolas**

Prefiled on May 22, 2024

Introduced on June 25, 2024

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**HOUSE ACTION**

Transmitted to Tinian and Aguiguan Legislative Delegation for action on  
August 30, 2024

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**DELEGATION ACTION**

**Referred to:** 9/18/24 TALD Committee on Fiscal Affairs  
**Comments Solicited:** 9/3/24: Mayor of Tinian and Aguiguan [Del. Matters 23-63]  
& Tinian & Aguiguan Municipal Council [Del. Matters 23-64]  
**Comments Received:** 9/9/24 [Mayor Comm. 23-56]  
12/23/24 [Mayors Comm. 23-67]  
**Standing Committee Report:** 23-01 Adopted 12/27/24  
**Passed First & Final Reading:** December 27, 2024 w/Draft 2

A handwritten signature in blue ink, appearing to read "Frances Joan P. Kaipat".

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**Frances Joan P. Kaipat  
Delegation Clerk**



**TINIAN AND AGUIGUAN LEGISLATIVE DELEGATION  
SECOND SENATORIAL DISTRICT  
TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH LEGISLATURE**

**THIRD SPECIAL SESSION, 2024**

**H. L. B. 23-54, D2**

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**A LOCAL BILL FOR AN ACT  
FOR THE SECOND SENATORIAL DISTRICT**

To impose a 0.5% ad valorem local excise surtax for the privilege of importing construction materials from outside the Commonwealth by licensed construction contractors into the Second Senatorial District.

**BE IT ENACTED BY THE SECOND SENATORIAL DISTRICT DELEGATION PURSUANT TO CHAPTER 4, DIVISION 1, TITLE 1 OF THE COMMONWEALTH CODE:**

1 **SECTION 1. SHORT TITLE.**

2 This Act shall be cited as the "Second Senatorial District Local Excise Surtax of 2024."

3 **SECTION 2. FINDINGS AND PURPOSE.**

4 The Second Senatorial District Delegation (Delegation) finds that in addition to the CNMI  
5 Excise Tax on construction materials, it would be of great financial benefit to the Second  
6 Senatorial District to impose a 0.5% ad valorem local excise surtax for the privilege of importing  
7 construction materials from outside the Commonwealth into the Second Senatorial District by any  
8 licensed construction contractor conducting business within the Second Senatorial District.

9 The Delegation acknowledges that 4 CMC § 1402(a)(8) imposes three percent ad valorem



1 excise tax for construction equipment, construction materials, and construction machinery at the  
2 point of entry in the CNMI. The construction materials imported by licensed construction  
3 contractors intended for the Second Senatorial District as its final point of destination will be  
4 assessed a 3.5% excise tax. Of the amount collected, 3% shall be remitted into the general fund  
5 and the 0.5% ad valorem local surtax shall be remitted into the Second Senatorial District Excise  
6 Surtax Account. If the construction materials are purchased within the Commonwealth, but  
7 outside the Second Senatorial District, the 0.5% ad valorem surtax shall be collected upon entry  
8 into the Second Senatorial District and shall be remitted into the Second Senatorial District Excise  
9 Surtax Account.

10 Therefore, the purpose of this Act is to impose a 0.5% ad valorem local excise surtax for  
11 the privilege of importing construction materials from outside the Commonwealth into the Second  
12 Senatorial District by licensed construction contractors conducting business within the Second  
13 Senatorial District.

14 **SECTION 3. ENACTMENT.**

15 Notwithstanding any laws, rules, or regulations to the contrary and subject to proper  
16 codification by the Commonwealth Law Revision Commission, it is hereby enacted:

17 “101. Second Senatorial District Ad Valorem Local Excise Surtax on Construction  
18 Materials.

- 19 (a) There is hereby established a 0.5% ad valorem local excise surtax for the  
20 privilege of importing construction materials from outside the Commonwealth  
21 into the Second Senatorial District by licensed construction contractors in the

1 Second Senatorial District.

2 (1) The 0.5 percent local excise surtax on construction materials with Tinian as  
3 the final destination shall be collected at the point of entry in the CNMI.

4 (2) A total of 3.5 percent in excise tax and the local excise surtax on  
5 construction materials entering Tinian directly from outside the CNMI shall  
6 be collected on Tinian.

7 (b) As used within this Section, “construction materials” shall have the same  
8 meaning as provided in 4 CMC § 1401(e), and “licensed construction  
9 contractors” shall have the same meaning as provided in 4 CMC § 5801(i).

10 (c) The Secretary of the Department of Finance shall create a special account  
11 known as the “Second Senatorial District Local Excise Surtax Account.”

12 (d) The surtaxes collected under this Section shall be remitted to the Second  
13 Senatorial District Local Excise Surtax Account and shall be appropriated by  
14 the Tinian and Aguiguan Legislative Delegation.

15 (e) The Department of Finance shall enforce the provisions of this Section in  
16 accordance with the powers granted to it by law.”

17 **SECTION 4. SEVERABILITY.**

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



HOUSE LOCAL BILL 23-54, D2

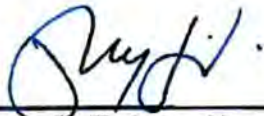
1 **SECTION 5. SAVINGS CLAUSE.**

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

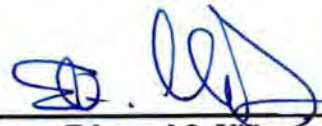
8 **SECTION 6. EFFECTIVE DATE.**

9 This Act shall take effect upon its approval by the Governor or its becoming law without  
10 such approval.

**CERTIFIED BY:**



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**Jude U. Hofschneider**  
Acting Chairman  
Tinian & Aguiguan Legislative Delegation



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**Edmund S. Villagomez**  
Speaker  
23<sup>rd</sup> House of Representatives

Approved this 7<sup>th</sup> day of February, 202~~4~~<sup>5</sup>.



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**Arnold I. Palacios**  
Governor  
Commonwealth of the Northern Mariana Islands