

**Twentieth Northern Marianas Commonwealth Legislature**

**IN THE HOUSE OF REPRESENTATIVES**

\_\_\_\_\_  
Session, 2017

\_\_\_\_\_  
H. B. 20- **119**

**A BILL FOR AN ACT**

To establish the Commonwealth of the Northern Mariana Islands Landlord and Tenant Rental Act of 2017; and for other purposes.

**BE IT ENACTED BY THE TWENTIETH NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

1           **Section 1. Findings and Purpose.** One of the biggest problems for CNMI  
2 residents and landlords is the lack of a concrete landlord-tenant code, something  
3 that is considered fundamental in all 50 U.S. states. The Legislature finds that the  
4 laws pertaining to CNMI landlords and tenants must be reviewed to provide for the  
5 legal rights of the CNMI's renters and landlords. The CNMI needs to rectify a  
6 longstanding gap in its legal code by adopting legislation that establishes the legal  
7 rights of tenants and landlords. As things stand, neither landlords nor tenants have  
8 very many rights, so much so that the CNMI has been described by some real estate  
9 as a "Wild West." This can't be allowed to persist.

10           The CNMI Landlord and Tenant Rental Act of 2017 spells out the rights  
11 and responsibilities of landlords and tenants in the CNMI. The Legislature finds  
12 that the lack of any legal requirements allows for victimization and no real means  
13 to seek redress. Currently, Landlords have no real legal obligation to take care of

1 their properties and ensure that basic conditions are met. There simply is no  
2 enforcement because there simply is no applicable law.

3 This legislation addresses multiple areas in which the CNMI's renters need  
4 clear guidance and will clear up several ambiguities — among them: how much of  
5 a security deposit can be required, when a landlord can evict a tenant, renters' ability  
6 to recover money if unlawfully evicted, who's responsible for what repairs, etc.  
7 Landlords will be required to make repairs to maintain premises, ensure working  
8 utilities, plumbing and ventilation, and provide receptacles for trash, among other  
9 responsibilities. At the same time, tenants must maintain their units, dispose of  
10 trash, not destroy or deface their units, and not disturb other tenants or neighbors,  
11 among other requirements.

12 In general, this legislation outlines both obligations and remedies for  
13 landlords and tenants. For instance, under this Act, a landlord cannot demand a  
14 security deposit greater than one month's rent. Moreover, if a deposit is used for  
15 property damages when a tenant moves out, the landlord must provide an itemized  
16 list—otherwise, landlords must return security deposits. If landlords fail to comply  
17 with this requirement, tenants may recover twice the amount wrongfully withheld.  
18 Significantly, this Act also requires landlords to comply with all building and  
19 housing codes, keep properties in fit and habitable condition, maintain all utilities  
20 in working order, and provide for garbage collection and removal.

1           With regards to repairs and damages, this Act provides that in the event that  
2 a landlord willfully or negligently fails to provide services under the rental  
3 agreement, the tenant has recourse to have the situation remedied and expenses  
4 deducted from rent. Similarly, in the case of willful or negligent damage to a  
5 property, the landlord has the right to issue an itemized repair bill to the tenant. If  
6 a tenant is unlawfully evicted or barred from a property, there is now an avenue for  
7 the tenant to recover either two months' rent or the cost of damages, whichever is  
8 greater, plus the security deposit. In terms of fairness and reasonableness, specific  
9 time periods now exist for tenants and landlords to submit written notice of issues  
10 and to expect remedy of those issues before the rental agreement can be terminated.  
11 Additionally, there is now an outline concerning what to do if a tenant abandons a  
12 property or refuses to leave after the rental term. This Act provides recourse in the  
13 case of harassment or unlawful entry of a property by a landlord, or unlawful refusal  
14 of entry by a tenant.

15           In sum, this is a provision that the CNMI sorely needs. People live in  
16 substandard living conditions because it's all they can afford, and pay rent to  
17 landlords who take no responsibility for the property. If no one regulates landlord  
18 responsibility, people can be victimized. On the other hand, tenants will now be  
19 required to maintain safe, clean premises, use utilities reasonably, and follow  
20 landlord regulations in accordance with the law. Both sides of the rental equation—  
21 landlords and tenants will have clear and reasonable guidelines to follow and tools  
22 to use in the event that compliance with the law is lacking.

1           **Section 2. Short Title.** This Act shall be cited as the “CNMI Landlord and  
2 Tenant Rental Act of 2017.” As set forth herein, this Act supplements current  
3 CNMI Landlord Tenant laws unless there is a direct conflict, in which case, this  
4 Act shall govern.

5           **Section 3. Enactment.** Subject to codification by the CNMI Law Revision  
6 Commission, the following provision is hereby enacted:

7           “§ 101. COMMONWEALTH OF THE NORTHERN MARIANA  
8 ISLANDS LANDLORD AND TENANT RENTAL ACT OF 2017.

9           **102. GENERAL PROVISIONS.**

10           **A. General Application.** This Act applies to, regulates, and determines  
11 rights, obligations, and remedies under a rental agreement for a dwelling unit  
12 located within the Commonwealth of the Northern Mariana Islands. Pursuant to  
13 Section 4 of this Act, “Repealer,” to the extent that this Act may conflict with CNMI  
14 law, said contrary law shall be deemed repealed and this provision shall govern.

15           **B. Definitions.** As used in this Act, unless the context otherwise requires:

16                   (a) *Action* includes recoupment, counterclaim, suit in law or  
17 equity, and any other proceeding in which rights are  
18 determined;

19                   (b) *Bona Fide Purchaser* is a purchaser for a valuable  
20 consideration paid or parted with in the belief that the vendor  
21 had a right to sell, and without any  
22 suspicious circumstances to put him on inquiry;

- 1 (c) *Building or housing code* includes any law, ordinance, rule,  
2 or regulation concerning fitness for habitation, use,  
3 operation, or occupancy;
- 4 (d) *Common Areas* refers to areas shared by others in the same  
5 building such as swimming pool, playground, and laundry  
6 facility;
- 7 (e) *Dwelling unit* means a structure or a part of a structure that  
8 is used as a home, residence, or sleeping place by one or  
9 more persons who maintains a household;
- 10 (f) *Essential Services* refers to basic needs such as running  
11 water, electricity, gas, or hot water;
- 12 (g) *Good Faith* means transaction done, honestly, objectively  
13 with no deliberate intent to defraud the other party;
- 14 (h) *Landlord* means the owner, lessor, or manager of the  
15 property or premises;
- 16 (i) *Owner* means one or more persons in whom is vested all or  
17 part of the legal title to the property or premises;
- 18 (j) *Premises* means a dwelling unit and the structure of which is  
19 a part of the grounds, areas, and facilities promised for use  
20 by the tenant;
- 21 (k) *Rent* means all payments to be made to or for the benefit of  
22 the landlord under the rental agreement;
- 23 (l) *Rental agreement* means any agreement, written or not,  
24 concerning use and occupancy of a dwelling unit;
- 25 (m) *Security* means money or property given to assure payment  
26 or performance under a rental agreement;

1                   (n)     *Tenant* means a person entitled under a rental agreement to  
2                                           occupy a dwelling unit to the exclusion of others;

3                   (o)     *Willful* is defined as an intentional act.

4           **C. Notice.**

5                   (a)     A person has notice of a fact if they:

6                                           (1) have actual knowledge of the fact; or

7                                           (2) have received a notification of the fact.

8                   (b)     A person is deemed having received notice when it comes to  
9                                           their attention, for which;

10                                           (1) in the case of the landlord, notification is  
11                                           delivered at the place of business of the landlord or the place  
12                                           where the rental agreement was executed;

13                                           (2) in the case of the tenant, notification is  
14                                           personally tendered to the tenant or mailed by registered or  
15                                           certified mail to the place of the tenant's known residence.

16           **D. Terms and Conditions of Rental Agreement.**

17                   (a)     A landlord and a tenant may include in a rental agreement  
18                                           terms and conditions not prohibited by this Act or other law, rule, or  
19                                           regulation;

20                   (b)     In the absence of a rental agreement, the tenant *shall* pay as  
21                                           rent the fair market rental value for the use and occupancy of the dwelling  
22                                           unit;

1           (c)     Rent is payable without demand or notice at the time and  
2           place agreed upon by the parties.

3           **E. Prohibited Provisions in Rental Contracts.**

4           (a)     A rental agreement *shall not* provide that the tenant agrees  
5           to waive or forego rights or remedies under this Act;

6           (b)     A provision in a rental agreement that is prohibited under this  
7           Act *shall* be unenforceable.

8           **103. LANDLORD/TENANT OBLIGATIONS.**

9           **A. Security Deposits; Prepaid Rent.**

10          (a)     A landlord *shall not* demand any security deposit greater in  
11          value than one month's periodic rent;

12          (b)     Upon termination of tenancy, property or money held by  
13          landlord as security may be applied to the payment of accrued rent and the  
14          amount of any damages which the landlord has suffered by tenant's  
15          noncompliance under § 103D. If security is to be applied to payment  
16          accrued or damages, landlord must present tenant, within fourteen (14) days  
17          after termination of tenancy, an itemized listing of cost of accrued payments  
18          and damages;

19          (c)     If the landlord fails to comply with subsection (b) of this  
20          Section and fails to return any prepaid security deposit, the tenant may  
21          recover the property and money due to him with damages equal to twice  
22          the amount wrongfully withheld plus reasonable attorney's fees.

1           **B. Landlord to Maintain Premises.**

2                   (a)    A landlord *shall*:

3                               (1) comply with the requirements of all applicable  
4                                       building and housing code relative to health and  
5                                       safety;

6                               (2) make all repairs reasonably necessary to  
7                                       maintain the premises in a fit and habitable  
8                                       condition;

9                               (3) maintain a reasonably good and safe working  
10                                      order of all electrical, plumbing, sanitation,  
11                                      ventilation, air-conditioning, to include properly  
12                                      functioning elevators;

13                              (4) provide and maintain appropriate receptacles for  
14                                      the removal of garbage for the dwelling unit and  
15                                      arrange for their removal;

16                   (b)    The landlord and tenant may agree that the tenant perform  
17                                      the duties prescribed in subsections (a)(2) and (4) of this  
18                                      Section but only if the transaction is entered in good faith.

19           **C. Limitation of Relief of Liability.**

20                   (a)    The landlord must convey in written notice to tenant of sale  
21                                      of dwelling unit in good faith to a bona fide purchaser to be relieved of



1 liability under the rental agreement and this Act. However, the landlord  
2 remains liable to the tenant for recoverable security deposit under § 103 A;

3 (b) Unless otherwise agreed, a manager of the premises that  
4 includes a dwelling unit is relieved of liability under the rental agreement  
5 and this Act after written notice to the tenant of termination of his  
6 management.

7 **D. Tenant to Maintain Dwelling Unit.**

8 (a) A tenant *shall*:

9 (1) maintain the dwelling unit and premises that he  
10 uses as clean and safe as premises permit to comply  
11 with housing codes affecting health and safety;

12 (2) dispose from his dwelling unit and common areas  
13 used from all garbage, rubbish, and other waste in a  
14 clean and safe manner;

15 (3) not deliberately or negligently destroy, deface,  
16 damage, or remove any part of the premises or permit  
17 any person to do so;

18 (4) use in a reasonable manner all power, water, and  
19 other common areas provided by landlord;

20 (5) conduct himself and require other persons on the  
21 premises with his consent to conduct themselves in a  
22 manner so as not to disturb neighbors or other tenants.

1           **E. Rules and Regulations.**

2           (a)     A landlord may adopt a rule or regulation concerning the tenant's  
3 use and occupancy of the premises and is enforceable without the consent of the  
4 tenant if all the following criteria listed are satisfied:

5                                 (1) its purpose is to promote the safety and welfare of  
6                                 the tenants, or to preserve the landlord's property  
7                                 from deliberate abuse;

8                                 (2) it applies to all tenants on the premises in a fair  
9                                 manner;

10                                (3) it is not for the purpose of evading obligation of  
11                                the landlord;

12                                (4) the tenant is given thirty (30) days' prior notice of  
13                                when it is to be adopted;

14           (b)     If a rule or regulation is to adopted after the tenant enters into a rental  
15 agreement, then it is not valid without the consent of the tenant unless it meets the  
16 criteria listed in subsection (a) of this Section.

17           **F. Rights to Access.**

18           (a)     The tenant *shall not* unreasonably withhold consent to the landlord  
19 to enter the dwelling unit in order to inspect the premises or to make necessary  
20 repairs or improvements;

21           (b)     The tenant *shall not* unreasonably withhold consent to the landlord  
22 to exhibit the dwelling unit to prospective purchasers, mortgagees, or contractors

1 provided the landlord gives at least three (3) days advance notice of a reasonable  
2 time;

3 (c) A landlord may enter the dwelling unit without consent of the tenant  
4 in a case of emergency.

5 **104. REMEDIES.**

6 **PART 1. TENANT REMEDIES.**

7 **A. Noncompliance by the Landlord-In General.**

8 (a) Except as provided in this Act, if there is a noncompliance by the  
9 landlord with the rental agreement or a noncompliance with Section 103 B of this  
10 Chapter affecting health and safety, the tenant may deliver a written notice to the  
11 landlord specifying the acts and omissions constituting the breach and that the  
12 rental agreement will terminate upon a date not less than thirty (30) days after  
13 receipt of the notice if the breach is not remedied in fourteen (14) days, and the  
14 rental agreement *shall* terminate as provided in the notice subject to the following:

15 (1) If the breach is remedied by repairs, the payment  
16 of damages or otherwise, and the landlord adequately  
17 remedies the breach before the date specified in the  
18 notice, the rental agreement *shall not* terminate by  
19 reason of the breach;

20 (2) If substantially the same act or omission which  
21 constituted a prior noncompliance of which notice  
22 was given recurs within six (6) months, the tenant

1                   may terminate the rental agreement upon at least  
2                   fourteen (14) days written notice specifying the  
3                   breach and the date of termination of the rental  
4                   agreement;

5                   (3) The tenant *shall not* terminate for a condition  
6                   caused by the deliberate or negligent act or omission  
7                   of the tenant, a member of his family, or other person  
8                   on the premises with his consent.

9                   (b) Except as provided in this Act, the tenant may recover actual  
10                  damages and obtain injunctive relief for the noncompliance by the landlord with  
11                  the rental agreement or with Section 103 B of this Act. If the landlord's  
12                  noncompliance is willful, the tenant may recover reasonable attorney's fees;

13                  (c) The remedy provided in subsection (b) of this Section is in addition  
14                  to any right of the tenant arising under subsection (a) of this Section;

15                  (d) If the rental agreement is terminated, the landlord *shall* return that  
16                  portion of the security deposit which is recoverable by the tenant under Section 103  
17                  A of this Act.

18                  **B. Failure to Deliver Possessions.**

19                  (a) If the landlord fails to deliver possession of the dwelling unit to the  
20                  tenant, rent abates until possession is delivered and the tenant may:

21                                 (1) terminate the rental agreement upon at least five  
22                                 (5) days written notice to the landlord, and upon

1 termination the landlord *shall* return all security  
2 deposit;

3 (2) demand performance of the rental agreement by  
4 the landlord, and if the tenant elects, obtain  
5 possession of the dwelling unit from the landlord or  
6 any person wrongfully in possession and recover the  
7 actual damages sustained by him.

8 (b) If the landlord's failure to deliver possession is willful and not in  
9 good faith, the tenant may recover from the landlord an amount twice the actual  
10 damages sustained, and reasonable attorney's fees.

11 **C. Self-help for Minor Defects and Repairs.**

12 (a) If the landlord fails to comply with the rental agreement or with  
13 Section 103 B of this Act, and the reasonable cost of compliance is less than Three  
14 Hundred Dollars (\$300) or an amount equal to one-half the monthly rent, whichever  
15 is greater, the tenant may recover damages for the breach under Section 103 A (b)  
16 of this Act or may notify the landlord of his intention to correct the condition at the  
17 landlord's expense. If the landlord fails to comply within fourteen (14) days after  
18 being notified by the tenant in writing or as promptly as conditions require in case  
19 of emergency, the tenant may cause the work to be done by a licensed contractor  
20 and, after submitting to the landlord an itemized statement, deduct from his rent the  
21 actual and reasonable cost or the fair and reasonable value of the work, not  
22 exceeding the amount specified in this subsection;

1           (b)     A tenant may not repair at the landlord's expense if the condition  
2 was caused by the deliberate or negligent act or omission of the tenant, a member  
3 of his family, or other person on the premises with his consent.

4           **D. Wrongful Failure to Provide Water, Hot Water, or Essential**  
5 **Services.**

6           (a)     If, contrary to the rental agreement or Section 103 D of this Act, the  
7 landlord willfully or negligently fails to supply essential service pursuant to the  
8 rental agreement, the tenant may give written notice to the landlord specifying the  
9 breach and may:

- 10                               (1) take reasonable and appropriate measures to  
11                               secure essential service during the period of the  
12                               landlord's noncompliance and deduct their actual  
13                               and reasonable cost from the rent; or  
14                               (2) procure substitute house during the period of  
15                               landlord's noncompliance, in which case the tenant  
16                               is excused from paying rent for the period of the  
17                               landlord's noncompliance;

18           (b)     Rights of the tenant does not apply if the condition was caused by  
19 the deliberate negligent act or omission of the tenant, a member of his family or  
20 person on the premises with his consent.

21           **E. Fire or Casualty Damage.**

1           (a)     If the dwelling unit or premises are damaged or destroyed by fire or  
2 casualty to the extent that enjoyment of the dwelling unit is substantially impaired,  
3 the tenant may:

4                               (1) immediately vacate the premises and notify the  
5 landlord in writing within fourteen (14) days  
6 thereafter of his intention to terminate the rental  
7 agreement, in which case the rental agreement  
8 terminates as of the date of vacating;

9                               (2) if continued occupancy is lawful, vacate any part  
10 of the dwelling unit rendered unusable by the fire or  
11 casualty, in which case the tenant's liability for rent  
12 is reduced in proportion to the diminution in the fair  
13 rental value of the dwelling unit.

14           (b)     If the rental agreement is terminated, the landlord *shall* return all  
15 security recoverable under Section 103 A. Accounting for rent in the event of  
16 termination or apportionment is to be occur as of the date of the fire or casualty.

17           **F. Tenant's Remedies for Landlord's Unlawful Ouster, Exclusion, or**  
18 **Diminution of Services.**

19           If the landlord unlawfully removes or excludes the tenant from the premises  
20 or willfully diminishes services to the tenant by causing interruption of essential  
21 services to the tenant, the tenant may recover possession and terminate rental  
22 agreement. In either case, the tenant *shall* be entitled to from the landlord two (2)

1 months' rent or treble the actual cost of damages sustained by him, whichever is  
2 greater. If rental agreement is terminated the landlord shall return all security  
3 recoverable under section 103 A.

4 **PART 2. LANDLORD REMEDIES.**

5 **A. Noncompliance with Rental Agreement; Failure to Pay Rent.**

6 (a) Except provided in this Act, if there is a noncompliance by the tenant  
7 with the rental agreement or noncompliance with Section 103 D affecting health  
8 and safety, the landlord may deliver a written notice to the tenant specifying the  
9 acts and omissions constituting the breach and that the rental agreement will  
10 terminate upon a date not less than thirty (30) days after receipt of the notice. If the  
11 breach is not remedied in fourteen (14) days, the rental agreement shall terminate  
12 as provided in the notice subject to the following. If the breach is remediable by  
13 repairs or the payment of damages or otherwise and the tenant adequately remedies  
14 the breach before the date specified in the notice, the rental agreement *shall not*  
15 terminate. If substantially the same act or omission which constituted a prior  
16 noncompliance of which notice was given recurs within six (6) months, the landlord  
17 may terminate the rental agreement upon at least fourteen (14) days written notice  
18 specifying the breach and the date of termination of the rental agreement;

19 (b) If rent is unpaid when due and the tenant fails to pay rent within fourteen  
20 (14) days after written notice by the landlord of nonpayment and his intention to  
21 terminate the rental agreement if the rent is not paid within that period, the landlord  
22 may terminate the rental agreement thirty (30) days after receipt of notice;



1 (c) Except as provided in this Act, the landlord may recover actual damages  
2 and obtain injunctive relief for noncompliance by the tenant with the rental  
3 agreement or with Section 104, Part 1, A of this Act. If the tenant's noncompliance  
4 is willful, the landlord may recover reasonable attorney's fees.

5 **B. Failure to Maintain.**

6 If there is noncompliance by the tenant with Section 104, Part 1, A of this  
7 Act materially affecting health and safety that can be remedied by repair,  
8 replacement of damaged item, and the tenant fails to comply as promptly as  
9 conditions require in case of emergency or within fourteen (14) days after written  
10 notice by the landlord specifying the breach and requesting that the tenant remedy  
11 it within that period of time, the landlord may enter the dwelling unit and cause the  
12 work to be done in a workmanlike manner and submit the itemized bill for the actual  
13 and reasonable cost or the fair and reasonable thereof as rent on the next date  
14 periodic rent is due, or if the rental agreement has terminated, for immediate  
15 payment.

16 **C. Remedies for Absence, Nonuse and Abandonment.**

17 (a) If the rental agreement requires the tenant to give notice to the  
18 landlord of an anticipated extended absence in excess of seven (7) days pursuant to  
19 Section 102 D of this Act and the tenant willfully fails to do so, the landlord may  
20 recover actual damages from the tenant;

21 (b) During any absence of the tenant in excess of seven (7) days, the  
22 landlord may enter the dwelling unit at times reasonably necessary;

1           (c)     If the tenant abandons the dwelling unit, the landlord shall make  
2 reasonable efforts to rent it at a fair rental. If the landlord rents the dwelling unit for  
3 a term beginning before the expiration of the rental agreement, it terminates as of  
4 the date of the new tenancy. If the landlord fails to use reasonable efforts to rent the  
5 dwelling unit at a fair rental or if the landlord accepts the abandonment as a  
6 surrender, the rental agreement is deemed to be terminated by the landlord as of the  
7 date the landlord has notice of the abandonment. If the tenancy is from month-to-  
8 month or week-to-week, the term of the rental agreement for this purpose is deemed  
9 to be a month or week, as the case may be.

10           **D. Holdover.**

11           If the tenant remains in possession without the landlord's consent after  
12 expiration of the term of the rental agreement or its termination, the landlord may  
13 bring an action for possession of the premises. If the tenant's holdover is willful  
14 and not in good faith the landlord may also recover an amount not more than two  
15 (2) month's rent and reasonable attorney's fees.

16           **E. Refusal of Lawful Access.**

17           (a)     If the tenant refuses to allow lawful access, the landlord may obtain  
18 injunctive relief to compel access, or terminate the rental agreement. In either case  
19 the landlord may recover up to treble damages if damages result in less of rental  
20 income and reasonable attorney's fees.

21           (b)     If the landlord makes an unlawful entry or makes repeated demands  
22 for entry by which have the effect of unreasonably harassing the tenant, the tenant

1 may obtain injunctive relief to prevent the recurrence of the conduct or terminate  
2 the rental agreement. In either case the tenant may recover actual damages equal to  
3 two (2) month's rent and reasonable attorney's fees."

4       **Section 4. Repealer.** Notwithstanding any contrary provisions of CNMI  
5 law, rules, or regulations, the provisions of CNMI law, to include but not be limited  
6 to Title 2, Division 4, Chapter 11 and Chapter 12 sections 40201 to 40210, that are  
7 inconsistent with the provisions of this Act shall be deemed repealed. All other  
8 provisions of CNMI law, including those in 2 CMC sections 40201 to 40210 that  
9 are consistent with this Act shall remain in full force and effect."

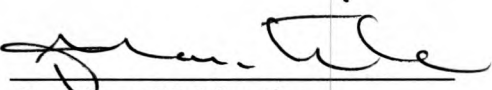
10       **Section 5. Severability.** If any provision of this Act or the application of  
11 any such provision to any person or circumstance should be held invalid by a court  
12 of competent jurisdiction, the remainder of this Act or the application of its  
13 provisions to persons or circumstances other than those to which it is held invalid  
14 shall not be affected thereby.

15       **Section 6. Savings Clause.** This Act and any repealer contained herein  
16 shall not be construed as affecting any existing right acquired under contract or  
17 acquired under statutes repealed or under any rule, regulation or order adopted  
18 under the statutes. Repealers contained in this Act shall not affect any proceeding  
19 instituted under or pursuant to prior law. The enactment of this Act shall not have  
20 the effect of terminating, or in any way modifying, any liability civil or criminal,  
21 which shall already be in existence at the date this Act becomes effective.

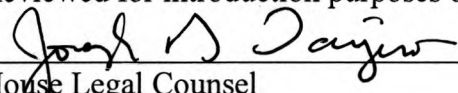
1           **Section 7. Effective Date.** This Act shall take effect upon its approval by  
2 the Governor or upon its becoming law without such approval.

Prefiled: 8/28/17

Date: 8/28/17

Introduced by:   
Rep. Janet U. Maratita

Reviewed for introduction purposes only by:

  
House Legal Counsel