

**TWENTY-SECOND NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE**

IN THE HOUSE OF REPRESENTATIVES

_____ Session, 2022

H. B. 22- 115

A BILL FOR AN ACT

To require all contractors to be licensed in the Commonwealth of
the Northern Mariana Islands; and for other purposes.

**BE IT ENACTED BY THE 22ND NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

1 **Section 1. Findings and Purpose.** The Legislature finds that the
2 Commonwealth of the Northern Mariana Islands is one of the few jurisdictions
3 within the United States that does not have contractor licensing laws and
4 regulations. The Legislature further finds that such laws are highly necessary to
5 protect both the contractors and customers from any negative actions committed by
6 either party. In the event that either party commits a detrimental act, there are no
7 regulations in place that would establish how to assess and mitigate the situation.
8 As a fellow United States jurisdiction, it is imperative to implement such laws that
9 would govern our contractors and provide proper accountability while they conduct
10 their day-to-day operations.

11 The Legislature also finds that in implementing such regulation measures,
12 the probable fees that may be generated can be utilized to fund construction

1 apprenticeship programs. Presently, the CNMI is faced with a dreadful shortage in
2 construction labor forcing residents and companies alike to take drastic measures
3 in seeking off-island services and/or to pause any further construction projects. The
4 Legislature finds that the probable realized funds that may be generated can be used
5 to fund any construction-related apprenticeships in order to rectify and provide a
6 feasible solution to any current construction labor issues we are facing. The benefits
7 realized in this proposed legislation will provide great financial opportunities in
8 establishing necessary programs for the benefit of Commonwealth and its residents.

9 Therefore, the purpose of this Act is to require all contractors to be licensed
10 in the Commonwealth of the Northern Mariana Islands to provide equal
11 opportunities and accountability for all contractors within the CNMI and to provide
12 our construction workforce with the necessary financial assistance to train our
13 future construction workforce.

14 **Section 2. Enactment.** Title 4, Division 3, of the Commonwealth Code is
15 hereby amended by adding a new Chapter 5 “Contractor’s Licensing Act” as
16 follows:

17 **“§101. Title.** This Act shall be known as the “Contractor’s
18 Licensing Act.”

19 **§102. Definitions.**

20 As used in this Chapter:

21 (a) “Board” means the Contractor’s License Board.

1 (b) "Contractor" means any person who undertakes to construct,
2 alter, repair, add to, subtract from, improve, move, wreck or demolish any
3 building, highway, road, railroad, excavation or other structure, project
4 development or improvement or do any part thereof, including the erection
5 of scaffolding or other structure of works in connection therewith for
6 another person for a fee.

7 (c) "Contractor" includes a subcontractor and a specialty contractor.

8 (d) "Person" means an individual, partnership, joint venture,
9 corporation or any combination thereof. Corporation includes an
10 association, business trust or any organized group of persons.

11 (e) "Self-construction" means a project or operation performed by
12 the owner for personal needs on personal premises; a self-
13 constructed/performed project or operation shall otherwise be deemed
14 performed by a contractor.

15 (f) "Investigator" means an employee with the Contractor's License
16 Board who conducts thorough investigations of applicants applying for a
17 contractor's license and who inspects, regulates, and enforces the laws,
18 rules and regulations of the Contractor's Licensing Board.

19 (g) "Responsible Management Employee" means the individual
20 responsible for the direct management of the contracting business of the
21 licensee.

1 **§103. Exemptions.**

2 This Chapter shall not apply to:

3 (a) An officer or employee of the United States, the Territory or any
4 political subdivision, if the project or operation is performed by employees
5 thereof;

6 (b) Any person acting as a receiver, trustee in bankruptcy,
7 administrator or executor, or any other person acting under any order or
8 authorization of any court;

9 (c) A person who sells or installs any finished products, materials or
10 articles or merchandise which are not actually fabricated into and do not
11 become a permanent fixed part of the structure, or to the construction,
12 alteration, improvement or repair of personal property;

13 (d) Any project or operation for which the aggregate contract price
14 for labor, materials and all other items is less than Two Thousand Five
15 Hundred Dollars (\$2,500). This exemption shall not apply in any case
16 wherein the undertaking is by a licensed contractor or is only part of a larger
17 or major project or operation, whether undertaken by the same or a different
18 contractor or in which a division of the project or operation is made in
19 contracts of amounts less than Two Thousand Five Hundred Dollars
20 (\$2,500) for the purpose of evading this Chapter or otherwise;

1 (e) A registered architect or professional engineer acting solely in a
2 professional capacity;

3 (f) Any person who engages in the activities herein regulated as an
4 employee with wages as sole compensation;

5 (g) Any person who undertakes either personally or through his or
6 her employees, any project or operation for himself or herself; and

7 (h) Any co-partnership or joint venture if all members thereof hold
8 licenses issued under this Chapter or if the person or persons who have
9 direct management of the contracting business thereof hold a license for
10 purposes of requiring additional contractor's licenses for the co partnership
11 or joint venture.

12 **§104. Contractor's License Board.**

13 (a) There shall be a Contractor's License Board compose of seven
14 (7) members; two (2) of which shall be appointed by the Governor from the
15 construction industry; three (3) of which shall be appointed by the Governor
16 from the general public and who shall have no interest in the construction
17 industry; the Director of Revenue and Taxation, ex-officio; and the
18 Secretary of Public Works, ex-officio. Those members appointed by the
19 Governor are subject to confirmation by the Legislature. Their terms shall
20 be four (4) years. Furthermore, pursuant to 1 CMC §2901(g), the Board

1 shall have at least one female member, at least one member who is of
2 Carolinian descent, and at least one member from each senatorial district.

3 (b) A quorum shall consist of five (5) members of the Board.

4 (c) Organization, Records, Reports. Immediately upon the
5 appointment and qualifications of the original members, and annually
6 thereafter, the Board shall organize by the election of one (1) member as
7 Chairman and one (1) member as Vice-Chairman. The Board shall keep a
8 complete record of all its proceedings and shall compile a citizen centric
9 report annually to the Governor and the people of the CNMI through the
10 Executive Director to include a detailed statement of the previous year,
11 proceedings and such recommendations as the Board may deem proper.

12 (d) Compensation. Members of the Board shall receive the sum of
13 Fifty Dollars (\$50) for each attendance at the meetings of the Board,
14 provided, however, that no member shall receive more than One Hundred
15 Dollars (\$100) per month.

16 **§105. Powers and Duties of Board.**

17 In addition to any other duties and powers granted by this Chapter,
18 the Contractor's License Board shall:

19 (a) Grant licenses to contractors pursuant to this Chapter;

20 (b) Make, amend or repeal such rules and regulations as it may deem
21 proper to fully effectuate this Chapter and carry out the purpose thereof,

1 which purpose is the protection of the general public. All such rules and
2 regulations shall be adopted pursuant to the Administrative Procedures Act,
3 as amended (1 CMC §9101 et. seq). The rules and regulations may forbid
4 acts or practices deemed by the Board to be detrimental to the
5 accomplishment of the purpose of this Chapter. The rules and regulations
6 may require contractors to make reports to the Board containing such items
7 of information as will better enable the Board to enforce this Chapter and
8 rules and regulations, or as will better enable the Board from time to time
9 to amend the rules and regulations more to fully effectuate the purposes of
10 this Chapter. The rules and regulations may require contractors to furnish
11 reports to owners containing such matters of information as the Board
12 deems necessary to promote the purpose of this Chapter. The enumeration
13 of specific matters which may properly be made the subject of rules and
14 regulations shall not be construed to limit the Board's general power to make
15 all rules and regulations necessary to fully effectuate the purpose of this
16 Chapter;

17 (c) Enforce this Chapter and rules and regulations adopted pursuant
18 thereto;

19 (d) Suspend or revoke any license for any cause prescribed by §122
20 or for any cause for suspension or revocation prescribed by the rules and

1 regulations, and refuse to grant any license for any cause which would be
2 grounds for revocation or suspension of a license;

3 (e) Publish and distribute pamphlets and circulars containing such
4 information as it deems proper to further the accomplishment of the purpose
5 of this Chapter;

6 (f) Contract professional testing services as deemed necessary to
7 prepare, administer, and grade applicant examinations as may be required
8 for the purpose of this Chapter; and

9 (g) In addition to all the rules and regulations, the Board shall
10 promulgate additional rules and regulations needed to effectuate this Act.

11 **§106. Executive Director; Other Assistants.**

12 (a) The Contractor's License Board shall employ an Executive
13 Director. The Executive Director shall be employed with due
14 regard to his or her fitness, thorough administrative ability and
15 knowledge of and experience in the business of contracting. The
16 Executive Director shall act only with the advice and consent of
17 the Board and shall be responsible to the Board. The Executive
18 Director shall not be actively engaged or employed in any
19 construction related business, vocation or employment, nor have
20 any pecuniary interest, direct or indirect, in any contracting

1 enterprise or enterprises conducted or carried on within the
2 Territory.

3 (b) The Executive Director shall, under the supervision of the Board,
4 administer this Chapter and the rules and regulations and orders established
5 thereunder and perform such other duties as the Board may require; shall
6 attend but not vote at all meetings of the Board; and shall be in charge of
7 the offices of the Board and responsible to the Board for the preparation of
8 reports and the collection and dissemination of data and other public
9 information relating to contracting.

10 (c) The Board may, by written order filed in its office, delegate to
11 the Executive Director such of its powers or duties as it deems reasonable
12 and proper for the effective administration of this Chapter, except the power
13 to make rules or regulations. The delegated powers and duties may be
14 exercised by the Executive Director in the name of the Board.

15 (d) Subject to the regulations of the Office of Personnel
16 Management, the Executive Director may employ and remove such
17 administrative and clerical assistants as may be required, and prescribe their
18 powers and duties.

19 **§107. Place of Meeting.**

1 The Executive Director shall provide suitable quarters for meetings
2 of the Contractor's License Board and for the transaction of its other
3 business.

4 **§108. Classification.**

5 (a) For the purpose of classification, the contracting business
6 includes any or all of the following branches:

7 (1) General Engineering Contracting;

8 (2) General Building Contracting;

9 (3) Specialty Contracting; and

10 (4) Responsible Management Employee (R.M.E.).

11 (b) A General Engineering Contractor is a contractor whose
12 principal contracting business is in connection with fixed works requiring
13 specialized engineering knowledge and skill, including the following
14 divisions or subjects: irrigations, drainage, water power, water supply, flood
15 control, inland waterways, harbors, docks and wharves, shipyards and ports,
16 dams and hydroelectric projects, levees, river control and reclamation
17 works, highways, streets and roads, tunnels, airports and airways, sewer,
18 sewage disposal plants and systems, waste reduction plants, bridges,
19 overpasses, underpasses and other similar works, pipelines and other
20 systems for the transmission of petroleum and other liquid or gaseous
21 substances, parks, playgrounds and other recreational works, refineries,

1 chemical plants and similar industrial plants requiring specialized
2 engineering knowledge and skill, powerhouses, power plants and other
3 utility plants and installations, mines and metallurgical plants, land leveling
4 and earth-moving projects, excavating, grating, trenching, paving and
5 surfacing work and cement and concrete works in connection with the
6 above-mentioned fixed works.

7 (c) A General Building Contractor is a contractor whose principal
8 contracting business is in connection with any structure built, being built or
9 to be built, for the support, shelter and enclosure of persons, animals,
10 chattels or movable property of any kind, requiring in its construction the
11 use of more than two (2) unrelated building trades or crafts, or to do or
12 superintend the whole or any part thereof.

13 (d) A Specialty Contractor is a contractor whose operations as such
14 are the performance of construction work requiring special skill and whose
15 principal contracting business involves the use of specialized building
16 trades or crafts.

17 (e) A Responsible Management Employee is an individual
18 responsible for the direct management of the contracting business of the
19 licensee and has proved contracting knowledge by both written examination,
20 as administered by the Board, and the fulfillment of requirements, as stated
21 in the Contractor's License Board Rules and Regulations.

1 **§109. Powers to Classify and Limit Operations.**

2 (a) The Contractor's License Board may adopt rules and regulations
3 necessary to effect the classification of contractors and shall require a
4 written examination in a manner consistent with established usage and
5 procedure as found in the construction business, and may limit the field and
6 scope of the operations of a licensed contractor to those in which the
7 licensed contractor is classified and qualified to engage, as defined in §108.

8 (b) A licensee may make application for classification and be
9 classified in more than one (1) classification if the licensee meets the
10 qualifications prescribed by the Board for such additional classification.
11 For qualifying or classifying in additional classifications, the licensee shall
12 pay the appropriate application fee but shall not be required to pay any
13 additional license fee.

14 (c) This Section shall not prohibit a specialty contractor from taking
15 and executing a contract involving the use of two (2) or more crafts or trades,
16 if the performance of the work in the crafts or trades, other than in which
17 the specialty contractor is licensed, is less than thirty-five percent (35%) and
18 supplemental to the performance of work in the craft for which the specialty
19 contractor is licensed.

1 (d) Any licensee that does not have a physical office within the
2 Commonwealth must enter into a partnership agreement with a licensed
3 contractor who possesses a physical office within the Commonwealth.

4 **§110. Licenses Required.**

5 No person within the purview of this Chapter shall act, or assume to
6 act, or advertise, as general engineering contractor, general building
7 contractor or specialty contractor without a license previously obtained
8 under and in compliance with this Chapter and the rules and regulations of
9 the Contractor's License Board.

10 **§111. Advertising.**

11 (a) A Contractor may advertise in print or broadcast medium only if
12 the contractor includes in the advertisement or listing the contractor's
13 applicable and current license number, and provides proof of the number's
14 validity to the publisher or producer of the advertising medium. Violation
15 of this Section may be subject to the provisions of §122 and/or §127.

16 **§112. Investigation Permitted.**

17 The Contractor's License Board may investigate, classify and
18 qualify applicants for contractor's licenses, and investigate for compliance
19 with the rules and regulations of the Board and the provisions of this
20 Chapter.

21 **§113. Investigation Citation Authority.**

1 (a) In addition to any other remedy available, the investigator of the
2 Contractor's License Board may issue citations to acting contractors,
3 licensed or unlicensed, in violation of the provisions of this Chapter and
4 rules promulgated.

5 (b) Each citation shall be in writing and shall describe the basis of
6 the citation, including the statutory provisions alleged to have been violated.
7 The citation shall also contain an order to cease and desist from the violation,
8 and an assessment of civil penalties no less than Two Hundred Dollars
9 (\$200) but not to exceed fifty percent (50%) of the value of the project.

10 (c) Recipients of contractual work shall be notified of each violation
11 in a timely manner.

12 **§114. Immediate Cease Work Order Permitted.**

13 The investigator may issue an immediate cease work order to any
14 person's construction activity where serious safety concerns are present.

15 **§115. Cease Work Order Permitted.**

16 The Executive Director may issue a cease work order to any
17 person's construction activity if found to be in violation of this Chapter
18 and/or of any Contractor's License Board rules and regulations.

19 **§116. No License Issued When.**

20 No license hereunder shall be issued to:

1 (1) Any person unless said person has filed an application and paid
2 the applicable fees therefore;

3 (2) Any person who does not possess -the following:

4 (i) Any person who does not possess a certificate of good
5 standing from the CNMI Department of Labor;

6 (ii) Any person who does not possess a certificate of
7 compliance from the Division of Revenue and Taxation under
8 the Department of Finance;

9 (3) Any corporation, unless the contracting business thereof is under
10 the direct management of an officer or employee thereof, and unless the
11 officer or employee holds an appropriate Responsible Management
12 Employee license;

13 (4) Any individual, unless eighteen (18) years of age or more; and

14 (5) Any person who employs other individuals as employees unless
15 satisfactory proof is submitted by the person of a current workers'
16 compensation insurance policy.

17 **§117. Application: Fees.**

18 (a) Every applicant for a license under this Chapter shall file an
19 application with the Contractor's License Board in such form and setting
20 forth such information as may be prescribed or required by the Board, and
21 shall furnish such additional information bearing upon the issuance of the

1 license as it shall require. Every application shall be sworn to before an
2 officer authorized to administer oaths. In the case of a co-partnership, joint
3 venture or corporation, any member or officer thereof may sign the
4 application and verify the same on behalf of the applicant.

5 (b) Every application, in the case of an individual, shall be
6 accompanied by sworn certificates of not less than two (2) persons who
7 have known the applicant for a period of not less than six (6) months
8 certifying that the applicant bears a good reputation for honesty,
9 truthfulness and fair dealings.

10 (c) The Board shall establish any reasonable application fees that
11 they deem necessary. Provided however that any applicant who applies for
12 two or more classifications under §108 shall be charged at the full rate of
13 each classification as prescribed by the board.

14 **§118. Form of Licenses.**

15 The form of every license shall be prescribed by the Contractor's
16 License Board and shall be issued in the name of the Board.

17 **§119. Place of Business and Posting of License.**

18 A licensed contractor shall have and maintain a definite place of
19 business in the commonwealth and shall display therein a personal
20 contractor's license.

21 **§120. Fees; Annual.**

1 (a) The Board shall establish annual fees for each license thereof
2 prescribed by this Chapter as follows:

3 (1) License Fees

4 License to act as specialty contractor

5 License to act as general engineering contractor

6 License to act as general building contractor

7 (2) License Fee for Responsible Management Employee (RME)

8 License to act as RME in specialty Contracting

9 License to act as RME in general engineering

10 contracting

11 License to act as RME in general building

12 contracting

13 (3) Reissuance of a license or issuance of a

14 certified copy of license

15 (4) Application:

16 (5) Application for Additional Classifications

17 (6) Letter of Good Standing

18 (7) Study Guide

19 (8) Inactive license fee (in lieu of renewal fee)

20 (9) Exam Fee

1 (b) The annual fee or inactive license fee shall be paid on or before
2 June 30 of each year for a license year beginning on July 1. Failure, neglect
3 or refusal of any licensee to pay the annual fee before such date shall
4 constitute a forfeiture of license. Any such license may be restored upon
5 written application, therefore, within one (1) year from such date and the
6 payment of the required fee plus an amount equal to ten percent (10%)
7 thereof.

8 (c) Upon written request by a contractor, and for good cause, the
9 Board shall place an active license in an inactive status. The license, upon
10 payment of the annual inactive license fee, may continue inactive for a
11 period of three (3) years after which time it must be reactivated or shall
12 automatically become forfeited. The license may be reactivated at any time
13 within the three (3)-year period by fulfilling the requirements for renewal,
14 including the payment of the appropriate renewal fee.

15 **§121. Action on Application.**

16 Within forty-five (45) days after the filing of a proper application
17 for a license and the payment of the required fees, the Contractor's License
18 Board shall:

19 (a) Conduct an investigation of the applicant and in such
20 investigation may post pertinent information, including, but not
21 limited to, the name and address of the applicant, and if the applicant

1 is associated in any partnership, corporation or other entity, the
2 names, addresses and official capacities of associates; and

3 (b) Either issue a license to the applicant or else notify the
4 applicant in writing by registered mail of the Board's decision not to
5 grant the license and specifically notify applicant of the right to have
6 a hearing within fifteen (15) days from the receipt of the Board's
7 decision. The hearing shall be conducted in accordance with §123.

8 **§122. Revocation, Suspension and Renewal of Licenses.**

9 (a) The Contractor's License Board may revoke any license issued
10 hereunder, or suspend the right of the licensee to use such licenses, or refuse
11 to renew any such license for any of the following causes:

12 (1) Conviction of any felony or misdemeanor involving
13 moral turpitude;

14 (2) Any dishonest or fraudulent or deceitful act as a
15 contractor which causes a substantial damage to another;

16 (3) Pursuing a continued and flagrant course of
17 misrepresentation or of making false promises through advertising
18 or otherwise;

19 (4) Abandonment of any construction project or operation
20 without reasonable or legal excuse;

1 (5) Willful departure from or willful disregard of plans or
2 specifications in any material respect without consent of the owner
3 or his duly authorized representative, which is prejudicial to a person
4 entitled to have the construction project or operation completed in
5 accordance with such plans and specifications;

6 (6) Willful violation of any law of the Territory or of any
7 political subdivision thereof, relating to building, including any
8 violation of any applicable rule or regulation of the Department of
9 Public Health, or of any applicable safety or labor law;

10 (7) Failure to make and keep records showing all contracts,
11 documents, records, receipts and disbursements by a licensee of all
12 his transactions as a contractor for a period of not less than three (3)
13 years after completion of any construction project or operation to
14 which the records refer or to permit inspections of such records by
15 the Board;

16 (8) When the licensee being a co-partnership or a joint
17 venture permits any member of such co-partnership or joint venture
18 who does not hold a license to actively participate in the contracting
19 business thereof;

- 1 (9) When the licensee being a corporation permits any officer
2 or employee of such corporation who does not hold a license to have
3 the direct management of the contracting business thereof;
- 4 (10) Misrepresentation of a material fact by an applicant in
5 obtaining a license;
- 6 (11) Failure of a licensee to complete in a material respect
7 any construction project or operation for the agreed price if such
8 failure is without legal excuse;
- 9 (12) Willful failure in any material respect to comply with
10 this Chapter or the rules and regulations promulgated pursuant
11 thereto;
- 12 (13) Willful failure or refusal to prosecute a project or
13 operation to completion with reasonable diligence;
- 14 (14) Willful failure to pay when due a debt incurred for
15 services of materials rendered or purchased in connection with his
16 operations as a contractor when the individual has the ability to pay
17 or when the individual has received sufficient funds therefor as
18 payment for the particular operation for which the services or
19 materials were rendered or purchased;
- 20 (15) The false denial of any debt due or the validity of the
21 claim therefor with intent to secure for licensee, employer or other

1 person, any discount of such debt or with intent to hinder, delay or
2 defraud the person to whom such debt is due;

3 (16) Failure to secure or maintain workmen's compensation
4 insurance;

5 (17) Knowingly entering into a contract with an unlicensed
6 contractor involving work or activity for the performance of which
7 licensing is required under this Chapter; or

8 (18) When the Responsible Management Employee and/or
9 the majority stockholders have, under another corporate or company
10 structure, caused the non-payment of employees' wages and/or the
11 abandonment of alien workers to become a burden on the
12 Government.

13 (19) Willful failure to pay when due a debt or penalty
14 incurred for damaging a public utility operated by the
15 Commonwealth Utilities Corporation and the Department of Public
16 Works.

17 (20) Knowingly taps into any power, water, sewer line, or
18 facility belonging to the Commonwealth Utilities Corporation
19 without first obtaining permission through the established service
20 rules and regulations of each respective governmental agency.

1 (b) No license shall be suspended for longer than two (2) years and
2 no person whose license is revoked shall be eligible for a new license until
3 the expiration of two (2) years.

4 (c) For purposes of this Section, the Contractor's License Board in
5 cooperation and in conjunction with the Department of Public Works,
6 Department of Finance's Division of Revenue and Taxation and the
7 Department of Labor may have investigative powers for purposes of
8 carrying out the intent of this Section.

9 **§123. Hearings.**

10 (a) In every case where it is proposed to refuse to grant a license or
11 to revoke or suspend a license or to refuse to renew a license, the
12 Contractor's License Board shall give the person concerned notice and
13 hearing in conformity with the Administrative Procedures Act, as amended
14 (1 CMC §9101 et. seq). The notice shall be given in writing by registered
15 or certified mail with return receipt requested at least fifteen (15) days
16 before the hearing.

17 (b) In all proceedings before it, the Board, and each member thereof,
18 shall have the same powers with respect to administering oaths, compelling
19 the attendance of witnesses and the production of documentary evidence
20 and examining witnesses as are possessed by circuit judges at chambers. In
21 case of disobedience by any person of any order of the Board, or any

1 member thereof, or any subpoena issued by it, or the person, or the refusal
2 of any witness to testify to any matter regarding which the individual may
3 be questioned lawfully, any judge of the Superior Court, on application by
4 the Board thereof, shall compel obedience as in the case of disobedience of
5 the requirements of a subpoena issued by the Superior Court, or a refusal to
6 testify therein.

7 **§124. Appeal to Superior Court.**

8 An applicant who has been refused a license and every licensee
9 whose license has been suspended, revoked or not renewed may appeal the
10 Contractor's License Board's decision to the Superior Court in the manner
11 provided in the Administrative Procedures Act, as amended (1 CMC §9101
12 et. seq).

13 **§125. Disposition of Fees, Refunds.**

14 (a) Notwithstanding any laws or regulations to the contrary, all fees
15 and money collected under the provisions of this Chapter shall be deposited
16 in a special fund known as the "Contractor's License Board Fund". Fifty
17 percent of the funds collected and deposited shall be used for operations and
18 the remaining fifty percent of the funds shall be used to fund apprenticeships
19 for constructed-related trades. The Expenditure Authority shall be the
20 Chairperson and the Executive Director of the Contractor's License Board.

1 (b) The Board may request the CNMI Treasury to have any fee
2 erroneously paid to it under this Chapter refunded when the Board deems it
3 just and equitable.

4 **§ 126. Death or Dissociation.**

5 No co-partnership, joint venture or corporation shall be deemed to
6 have violated any provision of this Chapter by acting or assuming to act as
7 a contractor after the death or dissociation of a licensee who had the direct
8 management of the contracting business thereof prior to final disposition by
9 the Contractor's License Board of an application for a license made within
10 thirty (30) days from the date of the death or dissociation.

11 **§127. Violation, Penalty.**

12 Any person who violates or omits to comply with any of the
13 provisions of this Chapter shall be fined an amount no less than Two
14 Hundred Dollars (\$200) but not to exceed fifty percent (50%) of the value
15 of the project.

16 **§128. Injunction.**

17 The Contractor's License Board may, in addition to any other
18 remedies available, apply to a judge of the Superior Court for a preliminary
19 or permanent injunction restraining any person from acting or assuming to
20 act or advertising as general engineering contractor, general building
21 contractor or specialty contractor, without a license previously obtained

1 under and in compliance with this Chapter and the rules and regulations of
2 the Board and upon hearing and for cause shown, the judge may grant the
3 preliminary or permanent injunction.”

4 **Section 3. Amendment.** Subject to codification by the CNMI Law Revision
5 Commission, Title 4, Division 5, Chapter 18 is hereby amended by adding a new
6 provision to read as follows:

7 **“§101. Lien for Work and Material Furnished by Licensed**
8 **Contractor: Notice; Sale; Application of Proceeds; Lienholder may**
9 **Waive Lien and Sue for Amount Due.**

10 (a) Any licensed contractor who produces contracting services to
11 any person shall have a lien upon such article or articles for the amount of
12 any account that may be due for the work done thereon. The lien shall also
13 include the value or agreed price, if any, of all materials furnished by the
14 lienholder in connection with the work.

15 (b) If any account for work done or materials furnished shall remain
16 unpaid for one year after completing the work, the lienholder may, upon 30
17 days’ notice in writing to the owner specifying the amount due and
18 informing him that the payment of the amount due within 30 days will
19 entitle him to redeem the property, sell any such article or articles at public
20 or bona fide private sale to satisfy the account.

1 (c) The notice may be served by registered or certified mail with
2 return receipt demanded, directed to the owner's last known address, or, if
3 the owner or his address be unknown, it may be posted in two public places
4 in the island where the property is located.

5 (d) The proceeds of the sale, after paying the expenses thereof, shall
6 first be applied to liquidate the indebtedness secured by the lien, and the
7 balance, if any, shall be paid over to the owner.

8 (e) Nothing contained in this section shall be construed as preventing
9 the lienholder from waiving the lien herein provided for, and suing upon the
10 amount if he elects to do so.”

11 **Section 4. Severability.** If any provisions of this Act or the application of
12 any such provision to any person or circumstance should be held invalid by a court
13 of competent jurisdiction, the remainder of this Act or the application of its
14 provisions to persons or circumstances other than those to which it is held invalid
15 shall not be affected thereby.

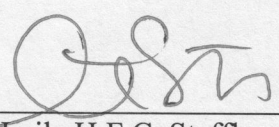
16 **Section 5. Savings Clause.** This Act and any repealer contained herein
17 shall not be construed as affecting any existing right acquired under contract or
18 acquired under statutes repealed or under any rule, regulation, or order adopted
19 under the statutes. Repealers contained in this Act shall not affect any proceeding
20 instituted under or pursuant to prior law. The enactment of the Act shall not have

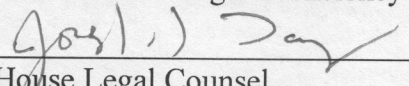
1 the effect of terminating, or in any way modifying, any liability, civil or criminal,
2 which shall already be in existence on the date this Act becomes effective.

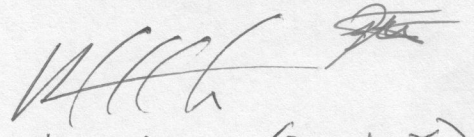
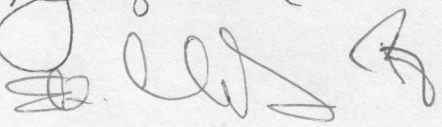
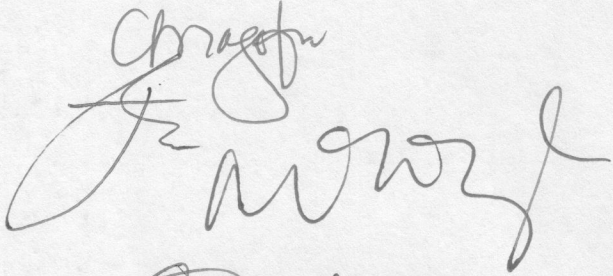
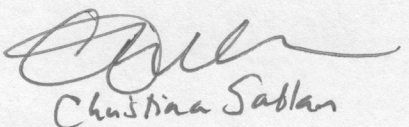
3 **Section 6. Effective Date.** This Act shall take effect upon its approval by
4 the Governor, or its becoming law without such approval.

Prefiled: 8/24/2022

Date: 8/24/2022

Introduced by: 
Rep. Leila H.F.C. Staffler

Reviewed for Legal Sufficiency by:

House Legal Counsel


Dzungmai (DenKT)

Christina Sablan


Christina Sablan