

Twenty-Second Northern Marianas Commonwealth Legislature

IN THE HOUSE OF REPRESENTATIVES

Regular Session, 2021

H. B. 22-42

A BILL FOR AN ACT

To amend 4 CMC § 1943 to authorize developer infrastructure tax credits for appropriate Chamorro and Carolinian culture designs; 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 CNMI is
2 a destination with a rich and cherished historical and cultural background. The
3 Chamorro and Carolinian indigenous cultures are unique in the world and offer the
4 international tourism marketplace an opportunity to expand their cultural
5 experiences while in the Commonwealth. The cultural resources present in the
6 CNMI are, however, underutilized in the marketing of the CNMI to prospective
7 tourists, and their presence here provides limited opportunity to experience the
8 islands' culture. Existing facilities do not represent the cultural art or images
9 inherent within the islands' heritage and culture and designs of privately operated
10 tourist attractions are without signifying characteristics that distinguish them from
11 any other location in the world.

1 The Legislature recognizes these factors and recommends providing
2 developers in the CNMI an incentive to incorporate cultural characteristics specific
3 to the CNMI into the development of new structures and tourism amenities through
4 the allowance for developers to offset the costs incurred by incorporating culturally
5 and historically significant features to projects against their Developers Tax.
6 Presently, the Developers Tax Credit provides 4 criteria of acceptable costs that can
7 be credited against the 2% tax on the development cost. The Legislature finds that
8 that a 5th criterion through an amendment to 4 CMC § 1943 be added to deduct
9 from the total tax liability the costs incurred in including culturally and historically
10 relevant features to the development. These features can be guided by the
11 Department of Public Works, the Historic Preservation Office, and the
12 Commonwealth Arts Council to ensure consistency and accuracy in design.

13 The Legislature further finds that incorporating the CNMI's culture into the
14 built tourism infrastructure enhances the uniqueness of the CNMI's tourism
15 product, and through incentivizing its development, increases the presence of the
16 culture in the environment where the community lives. Creating a market for the
17 culture of these islands serves both an economic objective, as well as preserves the
18 culture in the structures and visual environment for generations. Accordingly, the
19 purpose of this legislation is to amend 4 CMC § 1943 to authorize developer
20 infrastructure tax credits for appropriate Chamorro and Carolinian culture designs.

21

1 **Section 2. Amendment.** 4 CMC § 1943 is hereby amended by adding a
2 new subsection (f) to read as follows:

3 “§ 1943. **Tax Credits; Connection Fees; Voluntary**
4 **Contributions.**

5 (a) *Connection Fees.* [Unchanged.]

6 (b) *Coastal Resources Management Voluntary Contributions.*
7 [Unchanged.]

8 (c) *Credits for Other Infrastructure Payments.* [Unchanged.]

9 (d) *Credits for Dedicated Capital Improvements.* [Unchanged.]

10 (e) *Credits for Culturally Appropriate Designs.* The value of any
11 new development that the developer dedicated to appropriate Chamorro or
12 Carolinan cultural designs shall be credited against the tax liability created
13 under this chapter and shall apply to the appropriate trust account; provided
14 that such culturally appropriate designs are concurred by the Department
15 of Public Works, the Historic Preservation Office, and the Commonwealth
16 Arts Council to ensure consistency and accuracy in the design. In the event
17 that the amount of tax credit exceeds the tax liability created under this
18 chapter, the excess tax credit shall not constitute a right to a refund or be
19 used as a credit toward future development projects.”

20 **Section 3. Severability.** If any provision of this Act or the application of
21 any such provision to any person or circumstance should be held invalid by a court

1 of competent jurisdiction, the remainder of the Act or the application of its
2 provisions to persons or circumstances other than those to which it is held invalid
3 shall not be affected thereby.

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

11 **Section 5. Effective date.** This Act shall take effect upon its approval by
12 the Governor or upon its becoming law without such approval.

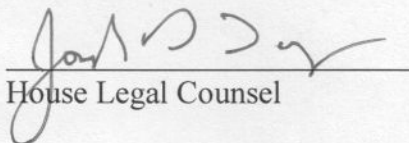
Prefiled: 3/12/2021

Date: 3/12/2021

Introduced By:

Rep. Joseph A. Flores

Reviewed for legal sufficiency by:


House Legal Counsel

