

**TWENTY-SECOND NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE**

IN THE HOUSE OF REPRESENTATIVES

_____ Session, 2021

H. B. 22- 52

A BILL FOR AN ACT

To amend 1 CMC § 2806(c) to provide flexibility in negotiating public land rental amounts for hotels and golf courses.

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

1 **Section 1. Legislative Findings and Purpose.** The Legislature
2 acknowledges that the Covid-19 pandemic caused a great impact in the
3 Commonwealth. In order to control the spread of the virus in the Commonwealth,
4 the Covid-19 Task Force issued guidelines and recommendations such as
5 government shutdown, curfew hours, airlines' inbound flight restrictions, business
6 closures, etc. The Legislature also acknowledges that as a result of the pandemic
7 effects in the Commonwealth the revenue collection of the first quarter for FY 2021
8 is 3% less than the forecasted amount.

9 The Legislature acknowledges that the Covid-19 Pandemic wreaked havoc
10 on the tourism industry in the Commonwealth. The passenger arrival in January
11 2020 is 55,686 and for same month in 2021 the arrival is 235, a decrease of 99.6%.
12 The reduction in passenger arrival means, among many other things, less hotel

1 rooms being occupied. For example, the Hyatt Regency hotel occupancy is 12.8%
2 in January and February 2021. For the same months in 2020, the hotel occupancy
3 is 90.4% and 69.7%; respectively.

4 The Legislature finds it necessary to provide flexibility to the Department
5 of Public Lands in negotiating public land lease renewals and extensions for the
6 hotels and golf resorts.

7 Accordingly, the purpose of this Act is to suspend, for a limited time, the
8 requirement that the new negotiated terms must be based on at least two new
9 appraisals.

10 **Section 2. Amendment.** 1 CMC § 2806(c) is amended to read:

11 “(c)(1) The Department may not transfer a leasehold interest in public lands
12 that exceeds 40 years including renewal rights. An extension of not more than 15
13 years may be given upon approval of three-fourths of the members of the
14 Legislature sitting in joint session.

15 (2) Except as provided in subsection (3), ~~The~~ the amendment to extend
16 public land leases up to 40 years does not automatically extend the terms of existing
17 public land leases. Only existing public land leases with an existing school,
18 religious organization, hotel, or golf course on the leased property may be amended
19 to extend the existing lease term up to 40 years plus an additional 15-year extension
20 subject to negotiated new terms and consideration based on at least two new
21 appraisals. Any amendment to extend the term of existing public land leases up to

1 40 years must comply with the provisions of this chapter and be approved by the
2 legislature sitting in joint session.

3 (3) The Secretary of the Department of Public Lands shall have discretion
4 in negotiating reasonable public land lease rental amounts, including but not limited
5 to a reasonable community benefit contribution, for existing hotels and golf courses
6 utilizing public land by taking into account economic conditions and other relevant
7 trends and factors affecting the Commonwealth due to the covid-19 pandemic.”

8 **Section 3. Sunset Provision.** On December 31, 2025 the amendment set
9 forth in Section 2 of this Act shall expire, and 1 CMC section 2806(c) shall revert
10 back to its original language prior to the enactment of this Act.

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 shall
17 not be construed as affecting any existing right acquired under contract or acquired
18 under statutes repealed or under any rule, regulation, or order adopted under the
19 statutes. Repealers contained in this Act shall not affect any proceeding instituted
20 under or pursuant to prior law. The enactment of the Act shall not have the effect

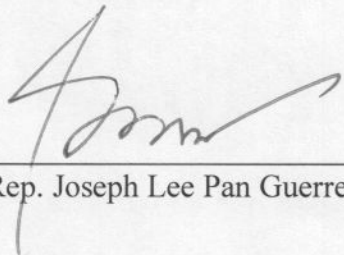
1 of terminating, or in any way modifying, any liability, civil or criminal, which shall
2 already be in existence on the date this Act becomes effective.

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

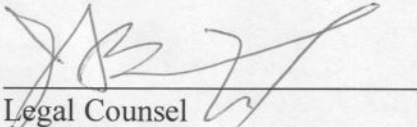
Prefiled: Apr. 12, 2021

Date:

Introduced by: _____


Rep. Joseph Lee Pan Guerrero

Reviewed for Legal Sufficiency by:



Legal Counsel