

**TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH**

**LEGISLATURE**

**IN THE HOUSE OF REPRESENTATIVES**

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Session, 2023

H. B. 23-48

**A BILL FOR AN ACT**

To amend Title 4, Division 9 of the Commonwealth Code to place the apprenticeship program within the Department of Labor and to repeal 3 CMC §1351 through §1358 in their entirety; and for other purposes.

**BE IT ENACTED BY THE 23<sup>RD</sup> NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

1           **Section 1. Short Title.** This Act shall be cited as the “Commonwealth  
2 Apprenticeship Program Act of 2023”.

3           **Section 2. Findings and Purpose.** The Legislature finds that pursuant to  
4 the Northern Mariana Islands US Workforce Act of 2018, the CNMI was given a  
5 period, slated to end 31 December 2029, to transition towards the employment of  
6 U.S. eligible workers, especially in the field of skilled labor. Cognizant of such a  
7 transition requirement, the Legislature finds it highly pertinent to establish and  
8 invest in programs that are intended to develop a local skilled workforce. With the  
9 development of a U.S. based workforce, the CNMI will cease to rely exclusively  
10 on non-U.S. workers.

11           The Legislature also finds apprenticeship programs are a system for training

1 new generations of practitioners for trades and/or professions with On-the-Job  
2 Learning and Related Training Instruction . Within these programs, a practitioner  
3 can be licensed to practice in their respective craft in order to gain employment in  
4 an Apprentice occupation. Other United States jurisdictions, such as Guam, Hawaii,  
5 Alabama, and so forth, have implemented necessary laws and registered  
6 apprenticeship programs that aim to develop their respective U.S. based, local  
7 workforce. As a Commonwealth of the United States, it is imperative to mirror  
8 these programs to provide our people in the CNMI with access to education and  
9 training for the necessary skills they need to obtain employment, become  
10 financially self-sufficient, to support their respective families, and to contribute to  
11 the CNMI economy.

12           The Legislature further finds CNMI Public Law 15-5, codified as 3 CMC  
13 §1351 et. seq., authorized the Northern Marianas College to establish the United  
14 State Registered Apprenticeship Program. Despite this authorization, the  
15 Legislature finds its implementation has been troublesome due to a lack of course  
16 offerings that specifically address occupations that currently focus on the hiring of  
17 foreign labor. Furthermore, the specified CNMI Public Law does not require the  
18 collaboration of the CNMI Department of Labor, a department within the CNMI  
19 Government that is tasked to handle private sector labor issues within the CNMI.  
20 Mindful of the labor shortages that we are currently facing, it is highly pertinent to  
21 allow for the appropriate agency to collaborate with the respective institutions to

1 ensure implementation. With this program, the input of the CNMI Department of  
2 Labor will be an invaluable resource for its implementation and success.

3 Therefore, the purpose of this Act is to amend Title 4, Division 9 of the  
4 Commonwealth Code by adding a new Chapter 9 to re-establish an apprenticeship  
5 program within the CNMI and to repeal 3 CMC §1351 through §1358 in its entirety  
6 and for other purposes. In doing so, this legislation will reestablish a CNMI  
7 Registered Apprenticeship Program within the Department of Labor that is  
8 designed to: increase local US highly skilled workers; establish systems for  
9 employers to hire and train apprentices; authorize tax credits for certain long-term  
10 apprenticeship training expenses.

11 **Section 3. Repealer.** 3 CMC §1351 through §1358 is hereby repealed in its  
12 entirety.

13 **Section 4. Amendment.** Title 4, Division 9 of the Commonwealth Code is  
14 hereby amended by adding a new Chapter 9 to read as follows:

15 **“CHAPTER 9. APPRENTICESHIP.**

16 **Article 1. CNMI Registered Apprenticeship Program.**

17 **§9901. Definitions.** As used in this Article:

18 (a) “Apprentice” means a worker at least 16 years of age, except  
19 where a higher minimum age standard is otherwise fixed by law, who is  
20 employed to learn an apprenticeable occupation as provided in the Code  
21 Federal of Regulations (CFR) Title 29, Subtitle A, part § 29.4 under

1 standards of apprenticeship fulfilling the requirements of part § 29.5.

2 (b) “Apprenticeship Program” means a plan containing all terms and  
3 conditions for the qualification, recruitment, selection, employment and  
4 training of apprentices, as required under this part and CFR part 30,  
5 including such matters as the requirement for a written apprenticeship  
6 agreement.

7 (c) “USDOL-OA” means the Office of Apprenticeship of the U.S.  
8 Department of Labor.

9 (d) “Business” means a professional group, association, corporation,  
10 partnership, sole proprietorship, trust, foundation, or any other individual or  
11 organization with good standing with the CNMI DOL and carrying on any  
12 business whether or not operated for profit.

13 (e) “DOL” means the Department of Labor of the CNMI  
14 Government.

15 (f) “Director” means the Director of Revenue and Taxation.

16 (g) “Employer” means a business employing an apprentice whether  
17 or not such business has an apprenticeship agreement with the apprentice.

18 (h) “Institution of higher education” means the Northern Marianas  
19 College, Northern Marianas Technical Institute, licensed post-secondary  
20 institutions, or licensed post-secondary training programs in the CNMI.

21 (i) “Occupational list” means a list of occupations prioritizing the

1 CNMI's needed trades that corresponds with a USDOL-OA apprenticeship  
2 training program that lists the occupational trades approved for  
3 apprenticeship training within the Program.

4 (j) "Program" means the Commonwealth Registered Apprenticeship  
5 Program, an occupationally driven apprenticeship training program meeting  
6 the standards of the U.S. Department of Labor, Office of Apprenticeship,  
7 that is recognized and approved as an occupational priority by DOL to  
8 which this Article applies.

9 (k) "Program sponsor" means an employer that employs apprentices  
10 who receive training through a program provider of a registered  
11 apprenticeship program.

12 (l) "Program Provider" means a business or institution of higher  
13 education that conducts a registered apprenticeship program recognized by  
14 the United States Department of Labor (USDOL), Office of Apprenticeship  
15 (OA). A business with a registered apprenticeship program may be both a  
16 program participant and a program provider.

17 (m) "Secretary" means the Secretary of the CNMI Department of  
18 Labor.

19 (n) "Tax credit" means an offset to business privilege tax owed by a  
20 business equal to fifty percent (50%) of all eligible costs paid or incurred  
21 by a program participant to train an apprentice.

- 1 (o) "Trade" means the skilled practice of an occupation.
- 2 (p) "USDOL" means the United States Department of Labor.
- 3 (q) "Skilled trainer" means a journeyman or journeyworker.
- 4 (r) "ETC" means Education Tax Credit
- 5 (s) "Cancelation" means the termination of the registration or  
6 approval status of an apprenticeship program at the request of the sponsor,  
7 or termination of an Apprenticeship Agreement at the request of the  
8 apprentice.
- 9 (t) "Eligible Training Provider List (ETPL) Institutions" means  
10 institutions or entities with job training programs approved by the US  
11 Department of Labor (DOL).
- 12 (u) "Advisory Council" means the Advisory Council Under the  
13 CNMI State Workforce Development Board (SWDB).
- 14 (v) "CNMI Office of Apprenticeship" shall consist of full-time  
15 employees of the CNMI Department of Labor and shall manage registered  
16 and potential Business Employers and Apprentices.
- 17 (w) "State Workforce Development Board" means the board is a  
18 formal body of volunteers with the majority representing the business  
19 community, local elected officials (Senate and House), and other required  
20 members of government and workforce/labor organizations. Members of  
21 the board are appointed and serve at the pleasure of the Governor.

1           Additionally, the CNMI State Workforce Development Board assists the  
2           Governor with administrative, fiscal, and policy oversight of the Workforce  
3           Innovation and Opportunity Act (WIOA) Title I programs and services.

4                           **§9902. CNMI Registered Apprenticeship Program.**

5                           The Secretary of Labor shall:

6                           (a) administer the Commonwealth Registered Apprenticeship  
7           Program and coordinate with the CNMI SWDB Registered Apprenticeship  
8           Program Advisory Council.

9                           (b) ensure proper educational accreditation standards are met and  
10          maintained by program providers, using educational classes provided by an  
11          institution of higher education or approved educational learning resources  
12          identified in the standards.

13                          (c) shall develop standards for apprenticeship agreements in  
14          conformity with this Chapter; and

15                          (d) hire the staff needed for the CNMI Registered Apprenticeship  
16          Program;

17                          (e) Certify all participating businesses are in good standing pursuant  
18          to NMIC Title 80 Department of Labor Subchapter 80-20.1 Employment  
19          Rules and Regulations.

20                          (f) Perform other duties as are necessary to carry out the intent and  
21          purpose of this Chapter;

1                   **§9903. Apprenticeship Program Occupations Approved for the**  
2                   **Commonwealth Registered Apprenticeship Program.**

3                   Annually, the Secretary shall:

4                   (a) Establish a list of skilled occupations and trades approved for the  
5                   program based on JVA data collected from the Division of Employment  
6                   services.

7                   (b) Amend the list of skilled occupations as necessary. Provided,  
8                   however, that all occupations listed are eligible under the USDOL-OA  
9                   apprentice occupations.

10                  (c) Consider new program participant applications and agreements  
11                  as they are submitted for review.

12                  **§9904. Authorization to Enter into Apprenticeship Agreements.**

13                  The SWDB Advisory Council, with the approval of the Secretary,  
14                  may contract with program providers to prescribe the manner, terms, and  
15                  conditions of DOL cooperation with the provider in meeting the Program's  
16                  objectives. The contracts shall be with program providers having a  
17                  registered and approved apprenticeship training program that complies with  
18                  applicable laws.

19                  **§9905. Eligibility.**

20                  An apprentice must:

21                  (a) Be a paid employee of RAP Sponsor. To qualify as an apprentice,



1 an individual must have an established and documented employment  
2 history with the employer for three months or more.

3 (b) Be a citizen or non-citizen authorized to work in the United  
4 States

5 (c) Be at least 16 years of age or older.

6 (d) Agree to the terms and conditions of the Program and § 9909 of  
7 this Article.

8 **§9906. Participation Requirements for Apprentices.**

9 An apprentice shall sign an agreement with the respective employer  
10 and DOL that stipulates that, in exchange for the training, the apprentice  
11 will remain and work in the CNMI for a period of one year for each year of  
12 participation in the Program.

13 **§9907. Administration of the Commonwealth Registered**  
14 **Apprenticeship Program.**

15 (a) The CNMI State Workforce Development Board shall:

16 (1) Establish a CNMI Registered Apprenticeship Advisory Council  
17 to provide leadership and guidance to promote and expand apprenticeship  
18 in new high-growth industries; build and maintain partnerships with  
19 stakeholders; and coordinate resources that support apprenticeship  
20 opportunities.

21 (2) Resolve differences arising out of the apprenticeship agreements

1 where the differences cannot be otherwise adjusted locally;

2 (3) Submit all proposed modifications in legislation, regulations,  
3 policies and/or operation procedures planned or anticipated by the Agency,  
4 either at the time of application for recognition or subsequently, to the  
5 Department for review and obtain the Secretary's concurrence prior to  
6 implementation.

7 (4) Perform other duties as are necessary to carry out the intent and  
8 purpose of this Chapter;

9 (b) The CNMI Registered Apprenticeship Program duties and  
10 responsibilities shall include, but are not limited, to the following:

11 (1) Provide assistance for the development of on-the-job learning  
12 programs in national apprenticeable occupations or local apprenticeable  
13 occupations;

14 (2) Register such apprenticeship agreements as are in the best  
15 interest of apprenticeship, and which conform to the standards established  
16 by this Chapter;

17 (3) Keep a record of apprenticeship agreements and upon  
18 determination thereof issue either an interim credential or a certificate of  
19 completion of apprenticeship;

20 (4) Terminate or cancel any apprenticeship agreements in  
21 accordance with the agreements or at the request of the sponsor, or

1 termination of an Apprenticeship Agreement at the request of the  
2 apprentice.

3 (5) Keep a record of program participants and program provider  
4 processing fees and finances.

5 (6) Establish contracts with government agencies, departments and  
6 instrumentalities, public or private organizations, firms, companies,  
7 businesses, program providers or individuals to provide technical or skilled  
8 training programs. Said contracts shall provide for specialized training in  
9 needed skills not otherwise available through the Program. If this  
10 specialized training is not part of an accessory CNMI Government or  
11 federally funded program, the program participant shall pay the training  
12 cost.

13 (c) Program sponsors having apprentices in training shall adopt and  
14 register with the Secretary a written Affirmative Action Plan and Selection  
15 Procedure according to Title 29 C.F.R. Part 30. Program sponsors may set  
16 their own minimum requirements, qualifications, and credentials for  
17 apprentices in compliance with all applicable Program requirements of  
18 USDOL-OA standards.

19 (d) DOL is authorized to collect a processing fee in order to defray  
20 the cost of administering the Program. The fee shall be equal to one percent  
21 (1%) of the amount of tax credit approved by the Secretary on each

1 application for certification of tax credit, and shall be due upon release of  
2 the certification.

3 (e) Such fees shall be deposited in the CNMI Apprenticeship  
4 Program Fund to be used exclusively for the operations of DOL's  
5 apprenticeship activities.

6 **§9908. Tax Credit for Apprenticeship Program Participants.**

7 (a) Any business that employs apprentices duly enrolled and  
8 registered under the terms of the Program is entitled to a tax credit against  
9 its BGRT equal to fifty percent (50%) of the eligible costs paid or incurred  
10 by the business, provided that:

11 (1) The apprenticeship training program teaches an approved  
12 occupation under § 9903 of this Article;

13 (2) The apprentice completes a training stage of an apprenticeship  
14 program as determined by DOL, following USDOL-OA standards. No tax  
15 credit shall be claimed by a program participant for an apprentice unless the  
16 apprentice completes at least fifty percent of the approved Work Process  
17 Schedule;

18 (3) The eligible costs were paid or incurred during the apprentice's  
19 participation in the Program;

20 (4) The eligible costs were paid or incurred within the previous three  
21 calendar years from the date the costs are submitted to DOL for

1 certification. Costs paid or incurred earlier than the three calendar years  
2 preceding the date the costs are submitted to DOL shall not be certified as  
3 eligible costs;

4 (5) No business or program participant holding a Qualifying  
5 Certificate (QC) shall claim tax credits pursuant to this Section. The  
6 Commonwealth Economic Development Authority shall assist the  
7 Secretary in determining whether a participant may claim the credit;

8 (6) The apprentice must complete a minimum of 2,000 hours of On-  
9 the-Job-Training per year, unless otherwise required by USDOL standards.

10 (7) A “progressive wage scales” shall be approved to meet USDOL  
11 OA standards. Paid wages must meet federal minimum wage. There must  
12 be at least one wage progression scale.

13 (8) Apprenticeship training costs paid by Workforce Innovation and  
14 Opportunity Act (WOIA) funds, Department of Labor CNMI  
15 Apprenticeship Program funds, and any training costs paid by the  
16 Commonwealth Government or federal funding shall not be eligible  
17 Program costs and shall not be applied as a tax credit.

18 (b) A program participant may only apply the tax credit if allowed  
19 by the CNMI Division of Revenue and Taxation procedures.

20 **§9909. Implementation of Tax Credit by the Director of**  
21 **Revenue and Taxation.**

1           The Director of Revenue and Taxation shall, no later than ninety  
2           days after the enactment hereof, in cooperation with the Secretary, develop  
3           procedures to implement the tax credit authorized by this Article, and to that  
4           end shall:

5           (a) enact such requirements for claimants as may be necessary to  
6           implement this Article;

7           (b) promulgate forms and publications to assist eligible businesses  
8           claiming the tax credit;

9           (c) develop procedures to facilitate the off-set of tax credits against  
10          business privilege tax liabilities; and

11          (d) coordinate with the Secretary relative to verifying eligible  
12          business privilege tax credits. The Secretary shall certify eligible training  
13          costs paid or incurred pursuant to the Program.

14                   **§9910. Reporting Requirements.**

15          (a) The Secretary shall include a summary report of this program in  
16          the Citizen Centric Report due at the close of each fiscal year. The report  
17          shall include:

18                  (1) List the number of Registered Apprentices for every  
19                  corresponding occupation;

20                  (2) List the number of Registered Apprentices that completed their  
21                  training program.

1 (3) List the total amount of tax credits claimed by each program  
2 sponsor in the preceding fiscal year;

3 (b) Program sponsors and program providers must report to an  
4 approved CNMI DOL and US DOL program system.”

5 **Section 5. Amendment.** 4 CMC §1205(c) of the Commonwealth Code is  
6 hereby amended by adding a new subsection (9) to read as follows:

7 **“§1205. Education Tax Credit.**

8 (c) A "qualified educational institution" under this section means:

9 (1) The Public School System (“PSS”);

10 (2) Northern Marianas College (“NMC”);

11 (3) An educational institution located in the Commonwealth which  
12 has been issued a Letter of Determination granting tax exempt status under  
13 Section 501(c) (3) of the IRC by the Division of Revenue and Taxation prior  
14 to the date of the donation for which the tax credit is taken;

15 (4) Commonwealth Museum of History and Culture;

16 (5) Northern Mariana Islands Council for the Humanities;

17 (6) Joeten-Kiyu Public Library

18 (7) Northern Marianas Technical Institute.

19 (8) The Northern Marianas Sports Association.

20 **(9) Commonwealth Registered Apprenticeship Program.**”

1           **Section 6. Severability.** If any provisions of this Act or the application of  
2 any such provision to any person or circumstance should be held invalid by a court  
3 of competent jurisdiction, the remainder of this Act or the application of its  
4 provisions to persons or circumstances other than those to which it is held invalid  
5 shall not be affected thereby.

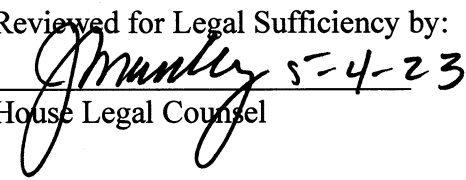
6           **Section 7. Savings Clause.** This Act and any repealer contained herein  
7 shall not be construed as affecting any existing right acquired under contract or  
8 acquired under statutes repealed or under any rule, regulation, or order adopted  
9 under the statutes. Repealers contained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

13           **Section 8. Effective Date.** This Act shall take effect upon its approval by  
14 the Governor, or it becoming law without such approval.

Prefiled: 5/4/2023

Date: 5/4/23

Introduced by:   
Rep. Denita Kaipat Yangetmai

Reviewed for Legal Sufficiency by:  
 5-4-23  
House Legal Counsel