

**TWENTY-FIRST NORTHERN MARIANAS COMMONWEALTH**  
**LEGISLATURE**  
**IN THE HOUSE OF REPRESENTATIVES**

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**SESSION, 2019**

**H. L. B. 21-32**

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**A LOCAL BILL FOR AN ACT**  
**FOR THE FIRST SENATORIAL DISTRICT**

To impose moratorium on new Bed and Breakfast facilities as defined in 4 CMC § 1103(hh) for three years in the Third Senatorial District.

**BE IT ENACTED BY THE THIRD SENATORIAL DISTRICT DELEGATION**  
**PURSUANT TO CHAPTER 4, DIVISION 1, TITLE 1 OF THE**  
**COMMONWEALTH CODE:**

**1 SECTION 1. FINDINGS AND PURPOSE.**

2           The Saipan and Northern Islands Legislature (SNILD) acknowledges that  
3 Public Law 20-30 amended 4 CMC § 1502 to include house lodging, apartment,  
4 rooming house, private residence, bed and bedfast or similar facility under the  
5 Hotel Occupancy Tax. The same law also provided the definition of “Bed and  
6 Breakfast” as a private residence or building appurtenant or accessory to a private  
7 residence containing five or fewer rooms intended or designed to be used, or  
8 which are used, rented, or hired out to be occupied for sleeping purposes,”  
9 codified in 4 CMC § 1103(hh).

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1           The SNILD finds that the development and establishment of “Bed and  
2 Breakfast” and similar facilities is at very fast rate. It is estimated there are  
3 approximately over 2,500 of such facilities. The rapid establishment of such  
4 facilities makes it difficult for the enforcement division of the Department of  
5 Finance to identify and insure that such facilities are complying with zoning laws,  
6 appropriate licenses are obtained, and the hotel occupancy taxes are paid.  
7 Moreover, it is more likely than not dishonest operators are running Bed and  
8 Breakfast or similar facilities due to the lack of enforcement.

9           The SNILD finds it necessary to impose a moratorium on new Bed and  
10 Breakfast or similar facilities so the enforcement division can review and assess  
11 the existing facilities. It will also provide time to investigate illegal operators,  
12 provide the necessary time for compliance if possible, and close facilities that are  
13 unable to comply with the applicable laws.

14           The SNILD finds that the Saipan Zoning Board (SZB) has the authority to  
15 regulate the establishment of Bed and Breakfast and similar facilities based on the  
16 zoning maps, zoning regulations, rezoning policies, etc. However, the SZB may  
17 or may not have the authority to suspend the establishment of new Bed and  
18 Breakfast and similar facilities if the proposed location is in the appropriate  
19 zoning area.

20           Therefore, the SNILD finds that the exiting number of Bed and Breakfast  
21 or similar facilities in the Third Senatorial District is sufficient and there is a need

1 provide adequate time to enforce business license compliance, payment of  
2 appropriate taxes, and zoning law compliance, that it is necessary to impose a  
3 moratorium by legislation on new Bed and Breakfast and similar facilities for a  
4 period of three years.

5 **SECTION 2. ENACTMENT.** Subject to the codification by the Law  
6 Revision the following is enacted to read:

7 “Section 101. Bed and Breakfast and Similar Facilities Moratorium.

8 (a) A moratorium is hereby enacted prohibiting within the Third  
9 Senatorial District the development, expansion, or establishment of any new Bed  
10 and Breakfast or similar facilities, as defined in 4 CMC § 1103(hh), for a period  
11 of three years from the date of enactment of this Act.

12 (b) No land use approval, business license, building permit, construction  
13 permit, occupancy permit, or any approval shall be issued for any new facility as  
14 provided in subsection (a) of this section.

15 (c) Any land use approval, business license, development permits or other  
16 permits for any Bed and Breakfast that are issued as a result of error or by use of  
17 vague or deceptive descriptions during the moratorium are null and void and  
18 without legal force or effect.

19 Section 102. Penalty.

20 Any person who violates Section 101(a) is punishable by a fine of \$5,000  
21 for the first offense and \$10,000 for the second and subsequent offenses.

1 Section 103. Enforcement and Report.

2 (a) The enforcement division of the Department of Finance shall enforce  
3 this Act; and

4 (b) Within 90 days from the last day of the moratorium the division shall  
5 provide a report to the SNILD presiding officer on the number of existing Bed  
6 and Breakfast facilities, as defined in 4 CMC § 1103(hh), in the Third Senatorial  
7 District.”

8 **SECTIONV 3. SEVERABILITY.**

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

14 **SECTION 4. SAVINGS CLAUSE.**

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

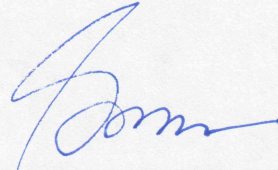
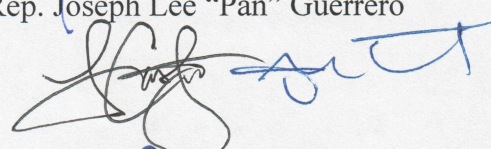
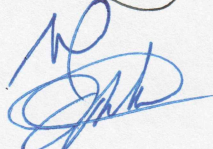
1 **SECTION 5. EFFECTIVE DATE.**

2 This Act shall take effect upon its approval by the Governor or its  
3 becoming law without such approval.

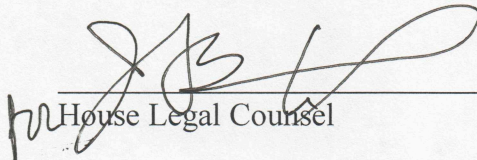
Prefiled: 10/4/19

Date: 10/4/19

Introduced by:

  
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Rep. Joseph Lee "Pan" Guerrero  
  


Reviewed for Legal Sufficiency by:

  
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House Legal Counsel