

**HOUSE OF REPRESENTATIVES**  
TWENTY-FIRST NORTHERN MARIANAS COMMONWEALTH LEGISLATURE  
P.O. BOX 500586, SAIPAN, MP 96950

Joseph Lee Pan T. Guerrero  
Chairman  
Commerce and Tourism Committee

STANDING COMMITTEE REPORT NO. 21-13  
DATE: JUNE 05, 2019  
RE: H.B. NO. 21-48

The Honorable Blas Jonathan "BJ" T. Attao  
Speaker of the House of Representatives  
Twenty-First Northern Marianas  
Commonwealth Legislature  
Capitol Hill  
Saipan, MP 96950

Dear Mr. Speaker:

Your Committee on Commerce and Tourism, to which House Bill No. 21-48 was referred, entitled:

"To amend 4 CMC §5565 and §5566 to allow 18 year olds to sell and serve alcoholic beverages."

begs leave to report as follows:


**I. RECOMMENDATION:**

After reasonable discussion and deliberation on the bill, the Committee recommends that the House pass House Bill No. 21-48 in the form of House Draft 1.

**II. ANALYSIS:**

**A. Purpose:**

The purpose of House Bill No. 21-48 is to amend 4 CMC §5565 and §5566 to allow certain individuals to be able to sell alcohol and fully participate in the service industry.

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**B. Amendments:**

In addition to any non-substantive technical amendments, the following amendments are as follows:

- **Page 2**

- Line 6:

- **Inserted** the following language “(a)”

- Line 7, after the language “to”:

- **Deleted** the following language “mix or”

- Line 9:

- **Inserted** the following language “(b)A licensee, his agent, or employee shall not permit any person under the age of 21 years to mix any alcoholic beverages at any on-sale establishment.”

**C. Committee Findings:**

Your Committee finds that some business establishments that are licensed to sell alcoholic beverages employ individuals who are under the legal drinking age of twenty-one (21). In instances where customers order alcoholic beverages, the under aged individual must ask a legal aged server to serve the beverage due to the way our current statute is written. This causes service to slow down and causes business establishments to miss out on financial opportunities. Therefore, your Committee finds that it would be pertinent to allow individuals who are of eighteen (18) years of age or older to serve alcoholic beverages in order to give the aforementioned business establishments the flexibility they need to work more efficiently.

Your Committee also finds that other U.S. jurisdictions, such as Hawaii, California, New York, and Texas, allow individuals who are eighteen (18) years of age or older to serve alcoholic beverages. The proposed legislation aims to permit eighteen (18) year old individuals to serve alcoholic beverages while preserving the legal age of twenty-one (21) for consumption. The proposed legislation aims to provide necessary relief in order to allow certain individuals to carry out their services to customers. It is imperative to follow suit with the other respective U.S. jurisdictions in order to allow for these businesses to continue to contribute to the growth and stability of the CNMI’s economy.

It is the intent of your Committee to amend the proposed legislation to allow for individuals who are eighteen (18) years of age or older to serve alcoholic beverages while preserving the right to mix to remain with individuals who are twenty-one (21) years of age or

older. The Committee agrees that such ban would better carry out the intent and purpose of such legislation. Therefore, your Committee agrees with the intent and purpose of House Bill No. 21-48 and recommends its passage in the form of House Draft 1.

D. Public Comments:

Comment(s) were received from:

- Mark O. Rabauliman, Secretary, Department of Commerce
- Velma M. Palacios, President, Saipan Chamber of Commerce (SCC) Board of Directors
- Gloria Cavanaugh, Chairwoman, Hotel Association of the Northern Mariana Islands (HANMI) Board of Directors

E. Legislative History:

House Bill No. 21-48 was formally introduced to the full body of the House on April 29, 2019 by Rep. Joel C. Camacho and was subsequently referred to your House Standing Committee on Commerce and Tourism for disposition.

A similar legislation, namely House Bill No. 20-48, was formally introduced to the full body of the House on February 28, 2017 by Rep. Edwin P. Aldan and was subsequently referred to your House Standing Committee on Commerce and Tourism for disposition. The House passed House Bill 20-48 on May 05, 2017. Upon its passage by the House, the legislation was subsequently transmitted to the Senate and was referred to the Committee on Judiciary, Government and Law. No further action was taken.

Another similar legislation, namely House Bill No. 19-104, was formally introduced to the full body of the House on October 27, 2015 and was subsequently referred to your House Standing Committee on Commerce and Tourism for disposition. The House passed House Bill 19-104 in the form of House Draft 1 on December 21, 2015. Upon its passage by the House, the legislation was subsequently transmitted to the Senate and was referred to the Committee on Judiciary, Government and Law. No further action was taken.


F. Cost Benefit:

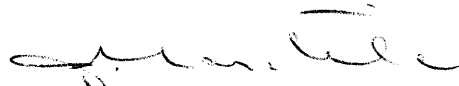
The enactment of House Bill No. 21-48, HD1 will not result in additional costs to the CNMI Government for it is the intent of the proposed legislation is to allow for individuals who are above eighteen (18) years of age and under twenty-one (21) years of age to serve alcohol in a business establishment.

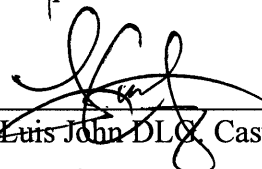
**III. CONCLUSION:**

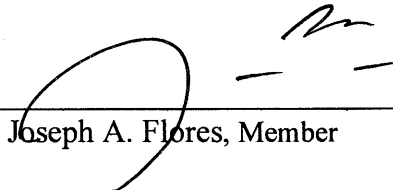
The Committee is in full accord with the provisions of House Bill No. 21-48 and recommends the passage of this legislation in the form of House Draft 1.


Respectfully submitted,

  
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Rep. Joseph Lee Pan T. Guerrero, Chairman


  
\_\_\_\_\_  
Rep. Janet U. Maratita, Vice Chairman

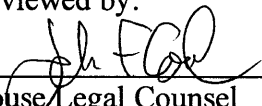
  
\_\_\_\_\_  
Rep. Luis John DLO Castro, Member

  
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Rep. Joseph A. Flores, Member

  
\_\_\_\_\_  
Rep. Richard T. Lizama, Member

\_\_\_\_\_  
Rep. Donald M. Manglona, Member

  
\_\_\_\_\_  
Rep. Ralph N. Yumul, Member

Reviewed by:  
  
\_\_\_\_\_  
House Legal Counsel

Attachment:  
Letter dated May 17, 2019 from the Secretary of the Department of Commerce;  
Letter dated May 28, 2019 from the Chairwoman of the HANMI Board of Directors; and  
Letter dated June 04, 2019 from the President of the SCC Board of Directors.



## DEPARTMENT OF COMMERCE

OFFICE OF THE SECRETARY  
P.O. Box 5795 CHRB, Saipan, MP 96950  
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Email: [info@commerce.gov.mp](mailto:info@commerce.gov.mp)  
Website: [www.commerce.gov.mp](http://www.commerce.gov.mp)

May 17, 2019

The Honorable Joseph Lee T. Guerrero  
Chairman, House Standing Committee on Commerce and Tourism  
House of Representatives  
21<sup>st</sup> Northern Marianas Commonwealth Legislature  
Hon. Jesus M. Mafnas Bldg.  
Capitol Hill  
Saipan, MP 96950

Dear Chairman Guerrero:

Thank you for giving the Department of Commerce the opportunity to submit comments on House Bill 21-48: ***"To amend 4 CMC § 5565 and 5566 to allow 18 year olds to sell and serve alcoholic beverages."***

The Department of Commerce (Commerce) initially supported the 17<sup>th</sup> legislature's findings and intent to amend 4 CMC, § 5565 to raise the age requirement for persons mixing and or serving alcoholic beverages from 18 years old to 21 years old at any on-sale establishment. The sole purpose of fully supporting H.B. 17-17, HD1, SD1, which became Public Law 17-83 on September 23, 2012, was to provide consistency with respect to the legal drinking age as well as consistency to the age requirements for persons entering drinking establishments such as bars, cabarets, night clubs and discotheques.

It was also the ABTC Division's standpoint at that time, recognizing the problem with regards to the age groups between 18 and 20 years old with those over 21 years or older entering a bar or night club establishment, which poses extenuating burden to the licensee and exposes high risks for violation, where it gets uncontrollable to maintain compliance in preventing underage drinking in a large crowd with the mixed age groups.

Furthermore, while Commerce agreed that 4 CMC, § 5566, as amended by Public Law 17-83, was not intended to discourage employment, it was firmly anticipated that restricting persons under 21 years old to enter the on-sale establishments (bars, cabarets, night clubs and discotheques) whose primary business is selling alcoholic beverages that primarily hosts a drinking atmosphere, would help mitigate and reduce the underage drinking problem within our community.

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Moving forward, Commerce anticipates in supporting H.B. 21-48 for purpose of employment opportunity at the on-sale establishments with a couple of recommendations to be reviewed and considered as follows:

Section 2. Amendment. 4 CMC § 5565 is hereby amended by adding subsections (a) and (b) to read as follows:

**§ 5565. Minors: ~~Mixing or and Serving Prohibited~~ Prohibited at On-Sale Establishments.**

- a) A licensee, his agent, or employee shall not permit any person under the age of 21 to mix any alcoholic beverages at any on-sale establishment.
- b) For employment purposes only, a licensee may permit his agent or employee who is 18 years of age or older to serve any alcoholic beverages at any on-sale establishment.

Section 3. Amendment. 4 CMC § 5566 is hereby amended by adding subsections (a), (b) and (c) to read as follows:

**§ 5566. Minors: Entering On-Sale Establishments; Prohibited.**

- a) With the exception of restaurants, no person under 21 years of age shall be admitted or allowed to enter into any Class-3 On-Sale establishment whose primary business is selling alcoholic beverages, such as: night clubs, bars, cabarets, karaoke clubs and disco clubs. Provided however, that the licensee may allow persons under the age of 21 years to enter his or her establishment for the purpose of special youth programs or events. In addition, the licensee shall notify the Director of Alcoholic Beverage and Tobacco Control Division in writing, within 5 days, for approval prior to the actual time and date of such program or event will take place. Only non-alcoholic beverages shall be sold and served during such activity, therefore, all alcoholic beverages must be secured or stored away from the premises prior to the commencement of such special program or event.
  - b) This section shall not prohibit a person who is 18 years of age or older who is employed by any on-sale establishment from entering such establishment to perform his or her duty.
  - c) Any violation of 4 CMC § 5565 and/or this section is punishable by and in accordance with the penal provisions of 4 CMC § 5559(e) 5601."
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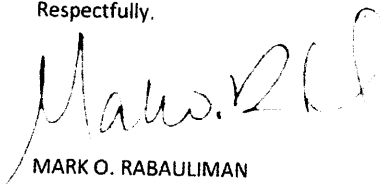
With these amendments, Commerce strongly supports the intent of providing aspiring students who are graduating out of high school the opportunity to be gainfully employed and be able to provide services in the hotel and hospitality industry, where most if not all, are licensed on-sale establishments. Thus, Commerce is pleased that the legislature are taking proactive steps to provide opportunities for our young workforce.

Additionally, Commerce does not see the necessity to amend 4 CMC § 5566 to allow persons under 21 years of age, who are not employed by the establishment, to enter on-sale establishments such as bars, cabarets, night clubs and discotheques. However, Commerce stands supportive with the emphasis on prospective employment opportunity for persons who are 18 and below 21 years of age to work in these type of establishments, not to be allowed to mix any alcoholic beverages for specific reasons, but may be permitted to serve any alcoholic beverages during duty.

The language set forth on § 5566 by not allowing any person under 21 to enter such establishments has been working effectively in maintaining control and compliance with respect to the prevention of underage drinking. On a positive note, the current provision provides the allowance for persons under 21 years of age to enter the on-sale premises only during special youth events and functions – on an alcohol free setting – that caters to youth recreational activities such as Teens Dance Night or Youth Night Out, which currently works out well.

Again, thank you for giving us this opportunity and we hope that you find our comments and recommendations helpful for this purpose.

Respectfully,



MARK O. RABULIMAN  
Secretary of Commerce

cc: Honorable Members, House Standing Committee on Commerce and Tourism

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P.O. Box 501983  
Saipan, MP 96950  
May 28, 2019

The Honorable Joseph Lee Pan T. Guerrero  
Chairperson  
Committee on Commerce and Tourism  
House of Representatives  
21<sup>st</sup> Northern Marianas Commonwealth Legislature  
Caller Box 10007  
Saipan, MP 96950

RE: H.B. 21-28 & H.B. 21-48

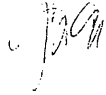
Dear Chairman Guerrero:

On behalf of our members in the Hotel Association of the Northern Mariana Islands (HANMI), representing a majority of hotel rooms in The Marianas, we write to submit comments on the following legislation:

- H.B. 21-28 "To prohibit the sale, offer for sale, and distribution in the Commonwealth of the Northern Mariana Islands of sunscreen containing oxybenzone and octinoxate without a prescription from licensed healthcare provider." Due to the environmental harm caused by these types of sunscreen, especially to living coral that is a critical part of The Marianas eco-system and tourism industry, HANMI supports the passage of this bill. Furthermore, we recommend a ban on the importation of such sunscreen.
- H.B. 21-48 "To amend 4 CMC § 5565 and § 5566 to allow 18-year-olds to sale (sic) and serve alcoholic beverages." Regarding § 5565, as more young people are joining and playing a vital part in the CNMI workforce, HANMI supports an amendment to allow a licensee, his agent, or employee to permit any person under the age of 18 years to serve any alcoholic beverages at any on-sale establishment. However, HANMI does not support an amendment to allow persons under the legal drinking age to mix drinks, as mixology implies knowledge and experience in the tasting of alcohol. Regarding § 5566, HANMI reserves comment.

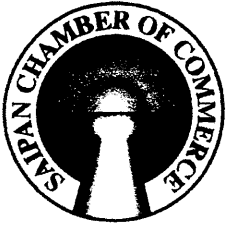
Thank you for the opportunity to submit comments on this legislation. Should you have any questions, please do not hesitate to contact me at [gloria.cavanagh@picsaipan.com](mailto:gloria.cavanagh@picsaipan.com).

Sincerely,



Gloria Cavanagh  
Chairwoman, Board of Directors

Cc: Speaker, House of Representatives



# SAIPAN CHAMBER OF COMMERCE

P.O. Box 500806 Saipan, MP 96950 • Tel: (670) 234-7150 • Fax: (670) 234-7151

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2019

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Palec

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June 4, 2019

Representative Joseph Lee Pan T. Guerrero  
Chairman  
House Standing Committee on Commerce and Tourism  
21<sup>st</sup> Commonwealth of the Northern Marianas Legislature  
P.O. Box 500806  
Saipan, MP 96950

Hafa Adai Chairman Guerrero:

The Saipan Chamber of Commerce (SCC) Board of Directors respectfully submits our position on the following bill:

## **HB21-048 ALCOHOLIC BEVERAGE ACT AMENDMENT Allow 18yr to Mix & Serve in Business Establishments-Primarily selling of Alcohol Beverages**

After considerable review, the SCC enthusiastically supports this bill for the following reasons:

- Businesses that serve alcohol are currently put in a position where they have to discriminate in hiring based on age, because they are unable to hire wait staff under the age of 21 to serve, mix, or deliver drinks to tables.
- Passing this bill would employ and provide skills to the local workforce, encouraging the hiring of U.S. workers and employing our youth.
  - **For the reasons indicated above, the SCC enthusiastically supports this bill.**

Thank you for considering our comments: we appreciate the opportunity to give our opinions on how this bill affects the business climate of our island.

Regards,

Velma M. Palacios  
President, SCC Board of Directors

**CC: Representative Joel Camacho**

**TWENTY-FIRST NORTHERN MARIANAS COMMONWEALTH**

**LEGISLATURE**

**IN THE HOUSE OF REPRESENTATIVES**

**APRIL 29, 2019**

**Second Special Session, 2019**

**H. B. 21-48, HD1**

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**A BILL FOR AN ACT**

To amend 4 CMC §5565 and §5566 to allow 18 year olds to sell and serve alcoholic beverages.

**BE IT ENACTED BY THE 21ST NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

1           **Section 1. Findings and Purpose.** The Legislature finds that many of our  
2    graduating high school students aspire to work in the hotel service industry to gain  
3    valuable experience to build careers in hotel hospitality and customer service.  
4    Some of these students also aspire to work as bartenders or waitresses for certain  
5    business establishments but are currently unable to do so as a result of provisions  
6    set forth in 4 CMC §5565 and §5566 which prohibit individuals under the age of  
7    21 from selling alcohol in on-sale establishments.

8           The Legislature finds that currently, one of the highest growths in the  
9    CNMI's job market fall under hotel hospitality and other service industries. The  
10   Legislature finds that it is necessary to amend current provisions that prohibit  
11   aspiring graduating high school students from entering into the labor force  
12   especially in their fields of interest due to strict provisions. Therefore, the purpose

1 of this Act is to amend 4 CMC §5565 and §5566 to allow certain individuals to be  
2 able to sell alcohol and fully participate in the service industry.

3 **Section 2. Amendment.** 4 CMC §5565 is hereby amended to read as  
4 follows:

5 **“§ 5565. Minors: Mixing or Serving Prohibited.**

6 (a) A licensee, his agent, or employee shall not permit any person  
7 under the age of ~~21~~ 18 years to ~~mix or~~ serve any alcoholic  
8 beverages at any on-sale establishment.

9 (b) A licensee, his agent, or employee shall not permit any person  
10 under the age of 21 years to mix any alcoholic beverages at  
11 any on-sale establishment.”

12 **Section 3. Amendment.** 4 CMC §5566 is hereby amended to read as  
13 follows:

14 **“§ 5566. Minors: Entering On-Sale Establishments; Prohibited.**

15 With the exception of restaurants, no person under ~~21~~ 18 years of  
16 age shall be admitted or allowed to enter into any Class-3 On-Sale  
17 establishment whose primary business is selling alcoholic beverages, such  
18 as, night clubs, bars, cabarets, karaoke clubs and disco clubs. Provided  
19 however, that the licensee may allow persons under the age of ~~21~~ 18 years  
20 to enter his or her establishment for the purpose of special youth programs  
21 or events. In addition, the licensee shall notify the Director of Alcoholic

1 Beverage and Tobacco Control Division in writing, within 5 days, for  
2 approval prior to the actual time and date of such program or event will take  
3 place. Only non-alcoholic beverages shall be sold and served during such  
4 activity, therefore, all alcoholic beverages must be secured or stored away  
5 from the premises prior to the commencement of such special program or  
6 event. Any violation of 4 CMC § 5565 and/or this section is punishable by  
7 and in accordance with the penal provisions of 4 CMC § 5559(c).”

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

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

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

**HOUSE BILL 21-48, HD1**

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Prefiled: 4/24/19

Date: 4/24/19

Introduced by: /s/ Rep. Joel C. Camacho

Reviewed for Legal Sufficiency by:

/s/ Joseph L.G. Tajeron, Jr.  
House Legal Counsel