



Hse. Comm. No. 24-58

HOUSE OF REPRESENTATIVES
TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE

Vice Speaker Jesus P. Mafnas Memorial Building
Capitol Hill
Saipan, MP 96950
cnmileg.net

August 15, 2025

The Honorable Karl R. King-Nabors
President
The Senate
Twenty-Fourth Northern Marianas
Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Dear Senate President King-Nabors:

I have the honor of transmitting herewith for Senate *action* **H. B. No. 24-32**, entitled: **"To establish a tax on transient accommodations and to regulate the operation of short-term rentals in the Commonwealth; and for other purposes."**, which was passed by the House of Representatives on First and Final Reading, by the majority vote of the members present, a quorum being present, during its First Day, Second Regular Session on August 15, 2025.

Sincerely yours,


Linda B. Muña, MPA
House Clerk

Attachment

TRANSMITTAL TO THE SENATE

Received by: 

Date: 8/15/25

Time: 1:55 pm

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 2025

Third Special Session, 2025

H. B. 24-32

A BILL FOR AN ACT

To establish a tax on transient accommodations and to regulate the operation of short-term rentals in the Commonwealth; and for other purposes.

**BE IT ENACTED BY THE 24TH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

1 **Section 1. Findings and Purpose.** The proliferation of short-term rentals
2 involving nontraditional accommodations—such as houses, apartments, and
3 condominium units—has significantly altered the landscape of the
4 Commonwealth’s housing market. These rentals, often marketed to tourists and
5 transient occupants, have led to increased competition for housing, rising long-term
6 rental prices, and regulatory challenges in residentially zoned areas. Operators who
7 fail to comply with business licensing, zoning rules, and tax laws undermine the
8 integrity of the market and place law-abiding operators at a disadvantage.

9 Registration of all operators engaged in furnishing transient accommodations
10 is essential for effective regulation and tax enforcement. In a sector where listings
11 may involve a single room or an entire resort posted online without direct oversight,
12 the government faces serious challenges in identifying operators and ensuring

1 compliance. A centralized registry will improve enforcement, promote
2 transparency, and ensure a level playing field.

3 Authorizing certain private entities to serve as tax collection agents will ease
4 the burden of administration and improve tax compliance. In particular, online
5 hosting platforms that facilitate booking and payment services are in a strong
6 position to collect and remit taxes on behalf of their operators. Requiring
7 registration of such platforms as tax collection agents will streamline compliance
8 and level the playing field.

9 Noncompliance often stems from operators structuring rental contracts to
10 appear as long-term leases exceeding ninety days while in reality allowing
11 occupancy by individuals for shorter durations. The Legislature finds that an
12 accommodation is subject to tax under this Act if it is used or occupied for fewer
13 than ninety consecutive days, regardless of the stated term of the lease or
14 agreement. The factual use of the accommodation shall govern whether it is deemed
15 transient for taxation purposes.

16 Strengthening enforcement through fines, citations, registration mandates,
17 and platform-level accountability will modernize the Commonwealth's tax
18 framework and prevent further erosion of the tax base. This Act replaces the
19 outdated Hotel Occupancy Tax with a Transient Accommodations Tax that reflects
20 the realities of today's rental and tourism market. Therefore, the purpose of this Act
21 is to:

- 1 1. Repeal the Hotel Occupancy Tax and establish a Transient
2 Accommodations Tax;
- 3 2. Require persons to register prior to engaging or continuing in the business
4 of furnishing transient accommodations, which includes posting any advertisement
5 for furnishing a transient accommodation;
- 6 3. Make any person who fails to register prior to engaging or continuing in
7 the business of furnishing transient accommodations, which includes posting any
8 advertisement for furnishing a transient accommodation, subject to a citation
9 process and monetary fines;
- 10 4. Make any person who enters into an agreement to furnish transient
11 accommodations without registering subject to a citation process and monetary
12 fines;
- 13 5. Require a hosting platform that collects fees for booking services to register
14 as a tax collection agent on behalf of its operators for purposes of the transient
15 accommodations tax; and
- 16 6. Make any person who offers transient accommodations through a hosting
17 platform that is not registered as a tax collection agent subject to a citation process
18 and monetary fines.
- 19 7. Ensure that the revenues collected pursuant to the tax formerly known as
20 the Hotel Occupancy Tax, codified at Title 4 section 1502 as repealed and re-
21 enacted herein, shall continue to be distributed pursuant to Public Law 19-36,

1 codified at 4 CMC § 1803, to wit, 80 percent to the Marianas Visitors Authority
2 and 20 percent to the Northern Marianas Retirement Fund.

3 **Section 2. Repeal and Re-enactment.** Title 4, Division 1, Revenue and
4 Taxation, section 1502, "Hotel Occupancy Tax," of the Commonwealth Code is
5 hereby repealed and re-enacted to read as follows:

6 **"§1502. Transient Accommodations Tax.**

7 **(a) Short Title.** This Act may be cited as the "Transient
8 Accommodations Act of 2025."

9 **(b) Definitions.** As used in this chapter:

10 (1) "Booking service" means any reservation or payment service
11 provided by a person or entity that facilitates a transient accommodation
12 transaction between an operator and a prospective transient or occupant,
13 and for which the person or entity collects or receives, directly or
14 indirectly, through an agent or intermediary, a fee in connection with the
15 reservation or payment services provided for the transient accommodation
16 transaction.

17 (2) "Division" means the Division of Revenue of Taxation of
18 Department of Finance of the Commonwealth of the Northern Mariana
19 Islands.

1 (3) "Director" means the Director of the Division of Revenue of
2 Taxation of Department of Finance of the Commonwealth of the Northern
3 Mariana Islands.

4 (4) "Gross rental" or "gross rental proceeds" means the gross
5 receipts, cash or accrued, of the taxpayer received as compensation for the
6 furnishing of transient accommodations or entering into arrangements to
7 furnish transient accommodations and the value proceeding or accruing
8 from the furnishing of transient accommodations or entering into
9 arrangements to furnish transient accommodations, including resort fees,
10 without any deductions on account of the cost of property or services sold,
11 the cost of materials used, labor cost, taxes, royalties, interest, discounts,
12 or any other expenses whatsoever.

13 The words "gross rental" or "gross rental proceeds" shall not be
14 construed to include the amounts of taxes imposed by chapter 2 or this chapter
15 on operators of transient accommodations, transient accommodations
16 brokers, travel agencies, and tour packagers and passed on, collected, and
17 received from the consumer as part of the receipts received as compensation
18 for the furnishing of transient accommodations or entering into arrangements
19 to furnish transient accommodations.

20 Where transient accommodations are furnished through arrangements
21 made by a transient accommodations broker, travel agency, or tour packager

1 at noncommissionable negotiated contract rates and the gross income is
2 divided between the operator of transient accommodations on the one hand
3 and the transient accommodations broker, travel agency, or tour packager on
4 the other hand, the tax imposed by this chapter shall apply to each operator
5 and transient accommodations broker, travel agency, or tour packager with
6 respect to that person's respective portion of the proceeds and no more. For
7 purposes of this definition, where the operator maintains a schedule of rates
8 for identifiable groups of individuals, upon which the accommodations are
9 leased, let, or rented, gross rental or gross rental proceeds means the receipts
10 collected and received based upon the scheduled rates and recorded as
11 receipts in its books and records.

12 (5) "Hosting platform" means a person or entity that participates in
13 the transient accommodations business by providing, and collecting or
14 receiving a fee for, booking services through which an operator may offer
15 a transient accommodation. Hosting platforms usually, though not
16 necessarily, provide booking services through an online platform that
17 allows an operator to advertise the transient accommodations through a
18 website provided by the hosting platform and the hosting platform
19 conducts a transaction by which potential renters arrange, use, or pay,
20 whether the renter pays rent directly to the operator or to the hosting
21 platform.

1 (6) “Lease”, “let”, or “rental” means the leasing or renting of
2 living quarters or sleeping or housekeeping accommodations in hotels,
3 apartment hotels, motels, condominiums or units, cooperative apartments,
4 rooming houses, or other places in which lodgings are regularly furnished
5 to transients for a consideration, without transfer of the title of such
6 property.

7 (7) “Local contact” means an individual residing in the
8 Commonwealth or an entity with a place of business and at least one
9 employee, officer, partner, member, or other person working on behalf of
10 the company who is residing in the Commonwealth.

11 (8) “Operator” means any person operating a transient
12 accommodation, whether as owner or proprietor or as lessee, sublessee,
13 mortgagee in possession, licensee, or otherwise, or engaging or continuing
14 in any service business which involves the actual furnishing of transient
15 accommodation.

16 (9) “Transient accommodations” means the furnishing of a
17 room, apartment, suite, single family dwelling, or the like to a transient for
18 less than ninety consecutive days for each letting in a hotel, apartment
19 hotel, motel, condominium or unit, cooperative apartment, dwelling unit,
20 or rooming house that provides living quarters, sleeping, or housekeeping

1 accommodations, or other place in which lodgings are regularly furnished
2 to transients.

3 (10) "Transient accommodations broker" means any person or
4 entity, including but not limited to persons who operate online websites,
5 online travel agencies, or online booking agencies, that offers, lists,
6 advertises, or accepts reservations or collects whole or partial payment for
7 transient accommodations.

8 **(c) Imposition of Tax and Rates.**

9 (1) There is levied and shall be assessed and collected each month a
10 tax of fifteen percent on the gross rental or gross rental proceeds derived
11 from furnishing transient accommodations.

12 (2) Every transient accommodations broker, travel agency, and tour
13 packager who arranges transient accommodations at noncommissioned
14 negotiated contract rates and every operator shall pay to the
15 Commonwealth the tax imposed by subsection (a) as provided in this
16 chapter.

17 **(d) Exemptions.**

18 (1) Accommodations furnished to foreign diplomats and consular
19 officials who are holding cards issued or authorized by the United States
20 Department of State granting them an exemption from state taxes.

1 (2) Accommodations furnished to Commonwealth residents during
2 a state of major disaster declared by the Governor.

3 **(e) Certificate of Registration.**

4 (1) Each operator, as a condition precedent to engaging or
5 continuing in the business of furnishing transient accommodations, shall
6 register with the Director the name and location of each place of business
7 within the Commonwealth subject to this subsection. The operator shall
8 make a one-time payment as follows:

9 (i) \$5 for each registration for transient accommodations
10 consisting of one to five units; and

11 (ii) \$15 for each registration for transient accommodations
12 consisting of six or more units;

13 Upon receipt of payment, the Director shall issue a certificate of
14 registration in such form as the Director determines, attesting that the
15 registration has been made. The registration shall not be transferable and shall
16 be valid only for the operator in whose name it is issued and for the
17 transaction of business at the place designated therein. Acquisition of
18 additional transient accommodation units after payment of the one-time fee
19 shall not result in additional fees.

20 (2) The registration, or in lieu thereof a notice stating where the
21 registration may be inspected and examined, shall at all times be

1 conspicuously displayed at the place for which it is issued. The name,
2 phone number, and electronic mail address of the local contact shall also
3 be conspicuously displayed in the same place. Failure to meet the
4 requirements of this subsection shall be unlawful. A citation issued under
5 this subsection for each transient accommodation in violation shall include
6 a monetary fine of not less than:

7 (i) \$500 per day, for a first violation;

8 (ii) \$1,000 per day, for a second violation; and

9 (iii) \$5,000 per day, for a third and any subsequent violation.

10 (3) Any advertisement, including online advertisements, for any
11 transient accommodation shall conspicuously include:

12 (i) The registration identification number or a link to the
13 registration identification number of the operator; and

14 (ii) The local contact's name, phone number, and email address.

15 This paragraph shall be considered satisfied if this information is
16 provided to the transient prior to the furnishing of the accommodation.

17 (4) Failure to meet the requirements of paragraph (3) shall be
18 unlawful. The Division may issue citations to any person, including
19 operators, hosting platforms, and brokers, who violate paragraph (3). A
20 citation issued under this paragraph shall include a monetary fine as
21 follows:

1 (i) \$500 per day, for a first violation;

2 (ii) \$1,000 per day, for a second violation; and

3 (iii) \$5,000 per day, for a third and any subsequent violation.

4 (5) The registration shall remain effective until canceled in writing.

5 Reapplication following cancellation shall be treated as a new registration

6 subject to the one-time fee. The Director may revoke or cancel registration

7 for cause as provided under the Administrative Procedures Act.

8 (6) If the license fee is paid, the Division shall not refuse to issue a

9 registration or revoke it based on the exercise of rights protected by the

10 First Amendment or based on activities in interstate or foreign commerce.

11 Section 1502(j) shall not be invoked to restrain such protected activity.

12 (7) Any fine assessed under this subsection shall be due and payable

13 thirty days after the citation is issued, subject to appeal rights. Appeals

14 may be made to the Director or the Director's designee.

15 (8) Any person required to register under this subsection who fails

16 to do so shall be subject to the citation and monetary fines described in

17 paragraph (4).

18 (9) For purposes of this subsection, "engaging or continuing in the

19 business of furnishing transient accommodations" includes posting any

20 advertisement for such accommodations.

1 (10) Only one citation under paragraph (2) may be issued per
2 transient accommodation in a thirty-day period. Additional citations may
3 be issued for other accommodations. After the thirty-day period, citations
4 may be reissued if the violation continues. Subsequent citations shall not
5 include fines for days already penalized in prior citations for the same unit.

6 (11) Only one citation under paragraph (3) may be issued per
7 transient accommodation in a thirty-day period. Additional citations may
8 be issued for other accommodations. Subsequent citations shall not
9 include fines for days already penalized in prior citations for the same unit.

10 (12) In lieu of a first citation under paragraph (3), the Division shall
11 issue a written warning if the violator has no prior warning. The warning
12 provides a 15-day cure period. If violations are not cured within that
13 period, citations shall issue for all days in violation. Only one written
14 warning may be issued per person.

15 **(f) Certificate of registration for transient accommodations broker,**
16 **travel agency, and tour packager.**

17 (1) Each transient accommodations broker, travel agency, or tour
18 packager, as a condition precedent to entering into an arrangement to
19 furnish transient accommodations at noncommissioned negotiated
20 contract rates, shall register with the Director. The transient
21 accommodations broker, travel agency, or tour packager shall make a one-

1 time payment of \$15 for each registration, upon receipt of which the
2 Director shall issue a certificate of registration in a form as the Director
3 determines, attesting that the registration has been made. The registration
4 shall not be transferable and shall be valid only for the transient
5 accommodations broker, travel agency, or tour packager in whose name it
6 is issued.

7 The registration shall be effective until canceled in writing. Any
8 application for the reissuance of a previously canceled registration
9 identification number shall be regarded as a new application for registration
10 and shall be subject to the payment of the one-time registration fee. The
11 Director may revoke or cancel any registration issued under this section for
12 cause as provided by rule under the Administrative Procedures Act.

13 (2) Any person who enters into an agreement to furnish transient
14 accommodations without registering in conformity with this subsection
15 shall be subject to the citation process and monetary fines under subsection
16 (e).

17 **(g) Return and payments; penalties.**

18 (1) Every person subject to this chapter shall file a return and pay
19 the tax, if any, on a monthly basis.

20 (2) The monthly returns and payments required under paragraph (1)
21 of this subsection shall be filed, and any tax due shall be paid, on or before

1 the last day of the month following the close of the taxable month, as
2 follows:

3 Returns for January shall be filed by February 28;

4 Returns for February shall be filed by March 31;

5 Returns for March shall be filed by April 30;

6 Returns for April shall be filed by May 31;

7 Returns for May shall be filed by June 30;

8 Returns for June shall be filed by July 31;

9 Returns for July shall be filed by August 31;

10 Returns for August shall be filed by September 30;

11 Returns for September shall be filed by October 31;

12 Returns for October shall be filed by November 30;

13 Returns for November shall be filed by December 31; and

14 Returns for December shall be filed by January 31.

15 (3) Failure to comply with the provisions of this subsection shall be
16 punishable under the penalties prescribed by this division.

17 **(h) Hosting platform as tax collection agent; operator.**

18 (1) A hosting platform that collects fees for booking services shall
19 register as a tax collection agent on behalf of all of its operators.

20 (2) A tax collection agent shall be issued a separate certificate of
21 registration under this chapter with respect to taxes due on behalf of its

1 operators in its capacity as a tax collection agent and, if applicable, with
2 respect to any taxes payable under this chapter for its own business
3 activities.

4 (3) In addition to its own responsibilities under this chapter, a tax
5 collection agent shall report, collect, and pay over the taxes due under this
6 chapter on behalf of all of its operators or for whom booking services are
7 provided; provided that the tax collection agent's obligation to report,
8 collect, and pay taxes on behalf of all of its operators shall apply solely to
9 transient accommodations in the Commonwealth for which booking
10 services were provided by the tax collection agent.

11 (4) If the tax collection agent fails to pay the tax as required under
12 subsection (c), the tax collection agent shall be liable to pay to the
13 Commonwealth any unpaid portion of the amount of tax that was required
14 to be paid under paragraph (4).

15 (5) All returns and other information provided by a tax collection
16 agent shall be confidential, and disclosure thereof shall be prohibited as
17 provided in 4 CMC §§ 18161-18163.

18 (6) A tax collection agent shall file periodic returns in accordance
19 with subsection (g). The December return shall be accompanied by a cover
20 sheet, in a form prescribed by the division, that includes the following

1 information for each operator on whose behalf the tax collection agent is
2 required to report, collect, and pay over taxes due under this chapter:

3 (1) Name;

4 (2) Location of the transient accommodations;

5 (3) Transient accommodations tax identification number;

6 (4) The amounts of taxes paid for each transient
7 accommodations tax identification number.

8 (7) Before collecting any fee for booking services, a tax collection
9 agent shall notify each of its operators that it is a tax collection agent that
10 it has remitted or will remit transient accommodation taxes to the Division
11 pursuant to this chapter, and that the reporting and remittance of
12 Commonwealth business gross revenue and income taxes is the
13 responsibility of each operator.

14 (8) The Division may require any form or document required to be
15 submitted under this subsection to be filed electronically.

16 **Subsection (i). Unregistered tax collection agents; penalties.**

17 (1) If an operator, transient accommodations broker, travel agency,
18 or tour packager offers transient accommodations through a hosting
19 platform that is not registered as required by subsection (h) of this chapter
20 and the tax collection agent fails to pay the tax as required under this
21 chapter, the tax collection agent and operator shall be jointly liable for

1 paying to the Commonwealth any unpaid portion of the amount of tax
2 required to be paid under this chapter.

3 (2) The Division may issue citations to any person who offers
4 transient accommodations through a hosting platform that is not registered
5 as required by subsection (h) of this chapter. A citation issued pursuant to
6 this subsection for each transient accommodation in violation of this
7 subsection shall include a monetary fine of not less than:

8 (i) \$500 per day, for a first violation for which a citation is issued;

9 (ii) \$1,000 per day, for a second violation for which a citation is
10 issued; and

11 (ii) \$5,000 per day, for a third and any subsequent violation for
12 which a citation is issued.

13 (3) Only one citation under paragraph (2) may be issued to a person
14 in a thirty-day period per transient accommodation. The same person may
15 be issued additional citations under paragraph (2) during the thirty-day
16 period for offering other transient accommodations the person operates
17 through an unregistered hosting platform. Following the expiration of the
18 thirty-day period, a citation may be issued under paragraph (2) in
19 connection with the same transient accommodation if it continues to be in
20 violation. Citations issued for second violations shall not include fines for
21 days of violation for which a fine was issued in the citation for first

1 violation for the same transient accommodation. Citations issued for third
2 violations shall not include fines for days of violation for which fines were
3 issued in the citations for the first and second violations for the same
4 transient accommodation.

5 **Subsection (j) Collection by suit; injunction.**

6 The Division may collect unpaid taxes, together with all accrued
7 penalties, and monetary fines under this chapter, by initiating proceedings
8 with the superior court. If any person lawfully required to obtain a certificate
9 under this chapter fails to apply for and secure a certificate as provided by
10 this chapter for a period of sixty days after the first date when the person was
11 required under this chapter to secure the certificate, the Division may proceed
12 in the superior court to obtain an injunction restraining the further furnishing
13 of transient accommodations until such certificate is secured.

14 **Subsection (k). Application of tax.**

15 (a) The tax imposed by this chapter shall be in addition to any other
16 taxes imposed by any other laws of the Commonwealth, except as otherwise
17 specifically provided in this chapter; provided that if it be held by any court
18 of competent jurisdiction that the tax imposed by this chapter may not legally
19 be imposed in addition to any other tax or taxes imposed by any other law or
20 laws with respect to the same property or the use thereof, then this chapter
21 shall be deemed not to apply to such property and the use thereof under the

1 specific circumstances, but the other laws shall be given full effect with
2 respect to such property and use.

3 (b) In order to determine if the tax under this chapter is to be levied,
4 assessed, and collected upon transient accommodations the following
5 presumptions shall control.

6 (1) If a person lets a transient accommodation for less than ninety
7 consecutive days, it shall be presumed that the accommodation furnished
8 is for a transient purpose.

9 (2) If a person lets a transient accommodation for ninety days or
10 more, there is no presumption one way or another as to the purpose for
11 which the accommodation is furnished. The operator shall have the burden
12 of proving to the Division whether an accommodation is not being
13 furnished for a transient purpose. If the Division is satisfied that an
14 accommodation is not furnished for a transient purpose, then the Division
15 shall not levy any tax under this chapter.

16 (3) An accommodation is presumed to be transient and subject to
17 taxation under this chapter, notwithstanding a lease, license, or contract
18 term of more than ninety (90) consecutive days, if the operator or lessor
19 permits the accommodation to be occupied by any person or persons for
20 fewer than ninety (90) consecutive days. The Division shall assess the tax

1 on the basis of actual occupancy rather than the duration or form of the
2 agreement under which the accommodation is furnished.

3 (c) Except as otherwise provided, this chapter shall apply to a transient
4 accommodations broker, travel agency, or tour packager who enters into an
5 agreement to furnish transient accommodations at noncommissioned
6 negotiated contract rates in the same manner as it applies to an operator.

7 **Subsection (l). Regulations.** The Secretary of the Department of
8 Finance may adopt rules necessary to effectuate the purposes of Title 4
9 section 1502.”

10 **Section 3. Distribution of Revenue Pursuant to 4 CMC 1803.** The
11 distribution of revenue derived from taxes imposed and collected pursuant to the
12 Hotel Occupancy Tax established by Public Law 3-11 as amended, and formerly
13 codified at Title 4 section 1502, as repealed and re-enacted herein, shall continue
14 pursuant to the statutory distribution set forth in Public Law 19-36, codified at 4
15 CMC § 1803 unless otherwise expressly provided for by law.”

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

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

8 **Section 5. Effective Date.** Once law, either upon approval by the Governor
9 or upon becoming law without such approval, this Act, including the repeal of
10 Section 1502 of Title 4, Division 1, Chapter 5 of the Commonwealth Code, shall
11 take effect sixty (60) days after regulations implementing the Act are promulgated
12 by the Secretary of the Department of Finance.

Prefiled: 6/18/2025

Date: _____ Introduced by: /s/ Rep. Roy A. Ada
(Principal Sponsor)
/s/ Rep. Julie M.A. Ogo
(Principal Sponsor)
/s/ Rep. Thomas J. DLC. Manglona

Reviewed for Legal Sufficiency by:

/s/ Joseph L.G. Taijeron, Jr. (6/11/2025)
House Legal Counsel