

**TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH**

**LEGISLATURE**

**IN THE HOUSE OF REPRESENTATIVES**

*June 11, 2025*

*Third Spe*

SESSION, 2025

H. L. B. *24-14*

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

To impose a 0.5% ad valorem local excise surtax for the privilege of importing construction materials from outside and within the Commonwealth by licensed construction contractors into the First Senatorial District.

**BE IT ENACTED BY THE FIRST SENATORIAL DISTRICT**

**DELEGATION PURSUANT TO CHAPTER 4, DIVISION 1, TITLE 1 OF  
THE COMMONWEALTH CODE:**

1 **SECTION 1.SHORT TITLE.** This Act shall be cited as the "First Senatorial  
2 District Local Excise Surtax of 2025."

3 **SECTION 2. FINDINGS AND PURPOSE.**

4       The First Senatorial District Delegation (Delegation) finds that in addition  
5 to the CNMI Excise Tax on construction materials, it would be of great financial  
6 benefit to the First Senatorial District to impose a 0.5% ad valorem local excise  
7 surtax for the privilege of importing construction materials from outside the  
8 Commonwealth into the First Senatorial District by any licensed construction  
9 contractor conducting business within the First Senatorial District. The Delegation

1 acknowledges that 4 CMC § 1402(a)(8) imposes 3% ad valorem excise tax for  
2 construction equipment, construction materials, and construction machinery at the  
3 point of entry in the CNMI. The same equipments, materials, and machinery  
4 imported by licensed construction contractors intended for the First Senatorial  
5 District as its final point of destination will be assessed a 3.5% excise tax. Of the  
6 amount collected, 3% shall be remitted into the general fund and the 0.5% ad  
7 valorem local surtax shall be remitted into the First Senatorial District Excise  
8 Surtax Account. If the construction equipment, materials, and machinery are  
9 purchased within the Commonwealth, but outside the First Senatorial District, the  
10 0.5% ad valorem surtax shall be collected upon entry into the First Senatorial  
11 District and shall be remitted into the First Senatorial District Excise Surtax  
12 Account.

13 Therefore the purpose of this Act is to impose a 0.5% ad valorem local  
14 excise surtax for the privilege of importing construction equipment, materials, and  
15 machinery from outside and within the Commonwealth into the First Senatorial  
16 District by licensed construction contractors conducting business within the First  
17 Senatorial District.

18 **SECTION 3. ENACTMENT.**

19 Notwithstanding any laws, rules, or regulations to the contrary and subject  
20 to proper codification by the Commonwealth Law Revision Commission, it is  
21 hereby enacted:

1 "101. First Senatorial District Ad Valorem Local Excise Surtax on  
2 Construction Materials.

3 (a) There is hereby established a 0.5% ad valorem local  
4 excise surtax for the privilege of importing construction  
5 equipment, materials, and machinery from outside and within the  
6 Commonwealth into the First Senatorial District by licensed  
7 construction contractors in the

8 (1) The 0.5% local excise surtax on construction  
9 equipment, materials, and machinery with Rota as the final  
10 destination shall be collected at the point of entry in the  
11 CNMI.

12 (2) A total of 3.5% in excise tax and the local  
13 excise surtax on construction equipment, materials, and  
14 machinery entering Rota directly from outside the CNMI  
15 shall be collected on Rota.

16 (b) As used within this Section,

17 (1) "Construction Equipment" shall mean any  
18 equipment used for and in construction projects  
19 including equipments used for transporting loads of  
20 construction materials and machinery, and  
21 construction raw materials.

1 (2) "Construction Machinery" shall mean any  
2 machinery used in construction projects.

3 (3) "Construction materials" shall have the same  
4 meaning as provided in 4 CMC § 1401(e).

5 (4) "Licensed construction contractors" shall have  
6 the same meaning as provided in 4 CMC § 5801(i).

7 (c) The Secretary of the Department of Finance shall create  
8 a special account known as the "First Senatorial District  
9 Local Excise Surtax Account.

10 (d) The surtaxes collected under this Section shall be  
11 remitted to the First Senatorial District Local Excise Surtax  
12 Account and shall be appropriated by the Rota Legislative  
13 Delegation.

14 (e) The Department of Finance shall enforce the provisions  
15 of this Section in accordance with the powers granted to it  
16 by law."

17 **SECTION 4. SEVERABILITY.**

18 If any provision of this Act or the application of any such provision to any  
19 person or circumstance should be held invalid by a court of competent  
20 jurisdiction, the remainder of this Act or the application of its provisions to  
21 persons or circumstances other than those to which it is held invalid shall not be



1 affected thereby.

2 **SECTION 5. SAVINGS CLAUSE.**

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

10 **SECTION 6. EFFECTIVE DATE.**

11       This Act shall take effect upon its approval by the Governor or it becoming  
12 law without such approval.

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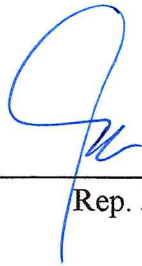
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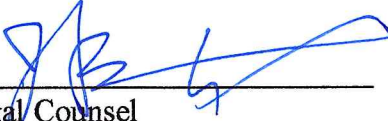
Prefiled: 6/11/2025

Date: \_\_\_\_\_

Introduced by: \_\_\_\_\_

  
Rep. Julie M. A. Ogo

Reviewed for legal sufficiency by:

  
\_\_\_\_\_  
Legal Counsel

Date: 06/11/25