

LG / F; 07 / NR
162-85

A PROPOSAL

TO AMEND SECTION 5 and SECTION 6 OF ARTICLE XII OF THE NORTHERN
MARIANAS CONSTITUTION TO PREVENT CORRUPTION IN CORPORATIONS
REGISTERED AS PERSONS OF NORTHERN MARIANAS DESCENT.

BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

1 Section 1. Section 5 of Article XII of the Constitution of the Northern
2 Mariana Islands is hereby amended to read as follows:

3 Section 2. Corporations. A corporation shall be considered to be a
4 person of Northern Marianas descent so long as it is incorporated in
5 the Commonwealth, has its principal place of business in the Common-
6 wealth, has directors at least fifty-one percent of whom are persons
7 of Northern Marianas descent and has voting shares at least fifty-one
8 percent of which are actually owned in fact and ^{not} simply in name only by
9 persons of Northern Marianas descent as defined by section 4. Minors
10 as defined in applicable laws in the Commonwealth shall not be directors
11 and voting shares in the corporation shall not be transferable to minors
12 except under compelling circumstances.

13 Section 3. Section 6 of Article XII of the Constitution of the Northern
14 Mariana Islands is hereby amended to read as follows:

15 Section 4. Enforcement. Any transaction made in violation of section 1
16 shall be void ab initio. Whenever a corporation ceases to be qualified
17 under section 5, a permanent or long-term interest in land in the Common-
18 wealth acquired by the corporation after the effective date of this
19 Constitution shall be forfeited to the government of the Commonwealth of
20 the Northern Mariana Islands. The public auditor shall make annual audits
21 on corporations registered to be persons of Northern Marianas descent and

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shall forward findings to the Attorney General for appropriate action.

Date: June 25, 1985

Introduced by: William S. Torres
DELEGATE WILLIAM S. TORRES, SAIPAN

Lorenzo I. Guerrero
Delegate Lorenzo I. Guerrero,
Saipan

David L. Igitol
Delegate David L. Igitol, Saipan

Alonzo Igisomar
Delegate Alonzo Igisomar, Saipan

Jesus P. Mafnas
Delegate Jesus P. Mafnas, Saipan

Delegate Karl T. Reyes, Saipan

Joaquin A. Tenorio
Delegate Joaquin A. Tenorio,
Saipan

Francisco Tomokane
Delegate Francisco Tomokane,
Saipan

Ramon G. Villagomez
Delegate Ramon G. Villagomez,
Saipan

Ignacio Villanueva
Delegate Ignacio Villanueva,
Saipan