



NORTHERN MARIANA ISLANDS RETIREMENT FUND

P.O. BOX 1247
SAIPAN, CM 96950

July 2, 1985

Mr. Lorenzo I. Guerrero
Chairman
Committee on Finance & Other Matters
Second Northern Marianas
Constitutional Convention
Saipan, CM 96950

Dear Mr. Chairman:

This office is asked to comment on a delegate proposal, currently before your committee, which proposes to restrict the imposition of real estate tax in the Northern Marianas.

I am in concurrence, at least for the immediate future, with the intent of the proposal. As a member of the Marianas Political Status Commission which negotiated the Covenant, both the Marianas and the United States delegations, during the covenant negotiation, acquiesced to leave this matter to the discretion of the local government. During the public educational process prior to the referendum on the Covenant, our people were adamantly opposed to this type of taxation. I think that position remain today. Opposition to a real property tax, in my opinion, is not necessarily a rejection by the people to paying duties and fees, necessary for government operations. Indeed, our people are and have, for decades, been paying taxes. This form of tax (real property) I believe, is being rejected since duties were to be applied even on idle lands which generate no incomes to the owners. Simply put, I do not feel this is a proper tax, as yet, for our community, and would, therefore, respectfully request that the Convention adopts proposal(s) which disallow the local government from enacting legislations for imposition of property taxes.

Thank you for the opportunity to comment on this important matter.

Sincerely,


Herman Q. Guerrero
Administrator