

SECOND NORTHERN MARIANAS CONSTITUTIONAL CONVENTION

SAIPAN, CM 96950

Telephone

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Ignacio Villanueva

REPORT TO THE CONVENTION BY THE
COMMITTEE ON PERSONAL RIGHTS & NATURAL RESOURCES

Subject: Committee Recommendation No. 20

Your Committee on Personal Rights and Natural Resources carefully deliberated on Delegate Proposals Nos. 30-85 and 161-85. Based on its exhaustive deliberations, the Committee recommends certain amendments to Article XII, Section 2 of the Constitution.

The first part of the proposed amendments would permit acquisition of permanent or long-term interest in land by a spouse who is not a person of Northern Marianas descent, through inheritance, only if the owner of the land dies without children. If the owner dies with children, then his or her lands go to his or her children and not to alien spouse.

Your Committee considered existing circumstances which the children and the alien spouse of a CNMI descent have conflicts over ownership of the deceased father's/mother's lands. The Committee endorses and supports the intent to protect the land ownership of Northern Marianas descents over any land ownership of Non-Northern Marianas descents, such as alien spouses. Where there is a conflict between the two, the Committee favors the Northern Marianas descents.

The second part of the proposed amendments would extend the period of time in which a mortgage may hold the permanent or long-term interest in land acquired by means of a mortgage foreclosure. The extension would be from 5 years to 10 years beyond the term of the mortgage.

Your Committee learned that banking institutions are not entertaining applications for real estate mortgage loans in that the current restriction does not afford them adequate time to dispose of any land acquired by foreclosure. As a result, our citizens lack financial means to develop their lands, build homes, and obtain maximum benefits from their lands. In addition,

Report to the Convention by the Committee
on Personal Rights & Natural Resources

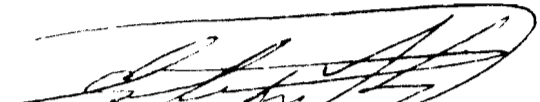
Committee Recommendation No. 20

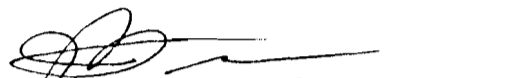
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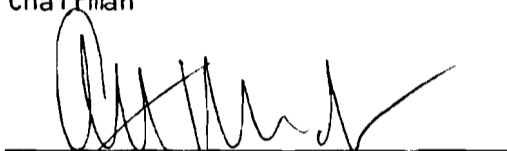
your Committee learned that available U.S. Federal real estate mortgage insurance programs are denied the citizens of the CNMI because of the current restriction. By adopting the Committee's proposed amendments, both the bankers and the Federal programs would assist our citizens in providing funds for insurance protection necessary for land developments.

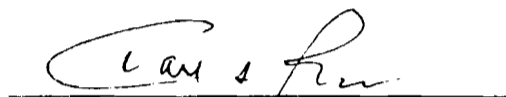
For the above reasons, your Committee recommends adoption of the attached proposed amendments.


Respectfully submitted,



Delegate Esteven M. King
Chairman

Delegate Joaquin A. Tenorio
Vice-Chairman

Delegate Aniceto H. Mundo
Member

Delegate Karl T. Reyes
Member

Delegate Ramon G. Villagomez
Member

A PROPOSED CONSTITUTIONAL AMENDMENT

To amend Section 2 of Article XII of the Northern Marianas Constitution relating to Acquisition.

BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

Upon ratification pursuant to Section 5 of Article XVIII of the Commonwealth of the Northern Mariana Islands Constitution and Public Law No. 4-30, the Constitution of the Commonwealth of the Northern Mariana Islands is amended to read as follows:

1 Effective upon ratification, Section 2, Article XII is amended to read;
2 "Section 2: Acquisition. The term acquisition used in Section 1
3 includes acquisition by sale, lease, gift, inheritance or other means. A
4 transfer to a spouse by inheritance is not an acquisition under this
5 section if the owner dies without issue. A transfer to a mortgage by
6 means of a foreclosure on a mortgage is not an acquisition under this
7 section if the mortgagee does not hold the permanent or long-term
8 interest in real property for more than ten years beyond the term at the
9 mortgage."

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COMMITTEE ON PERSONAL RIGHTS
AND NATURAL RESOURCES

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6 Islands. A transfer to a mortgage by means of a foreclosure on a mortgage is not
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8 long-term interest in real property for more than ten years beyond the term
9 of the mortgage."

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15 ADOPTED, AS AMENDED, BY THE COMMITTEE OF THE WHOLE AND THE CONVENTION ON
16 JULY 10, 1985.

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5 dies without issue or with issue not eligible to own land in the Northern
6 Mariana Islands. A transfer to a mortgagor by means of a foreclosure on *a*
7 mortgage is not an acquisition under this section if the mortgagee *x* is a full service
8 bank, Federal Agency or Governmental entity of the Commonwealth and does not
9 hold the permanent or long-term interest in real property for more than ten
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13 By the Committee on Personal Rights and Natural Resources
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6 *owner dies without issue.* A transfer to a mortgagee by means of a
7 foreclosure on a mortgage is not an acquisition under this section if
8 the mortgagee does not hold the permanent or long-term interest in
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Committee on Personal Rights and Natural Resources

ADOPTED, AS AMENDED, BY THE COMMITTEE
OF THE WHOLE ON JULY 10, 1985.

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COMMITTEE ON PERSONAL RIGHTS AND
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16 PASSED SECOND AND FINAL READING, AS AMENDED, ON JULY 18, 1985

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*Reconsidered
7-20-85*

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