

REPORT TO THE CONVENTION BY THE  
COMMITTEE ON FINANCE AND OTHER MATTERS

Subject: Committee Recommendation No. 67

The Committee on Finance and Other Matters recommends that the Convention meeting in Committee of the Whole adopt the attached proposed constitutional amendment relative to fees for the privilege of employing nonresident workers.

The Committee's recommended constitutional amendment would require the legislature to provide by law for annual fees to be paid by the employer of the privilege of employing a nonresident worker. The fee would apply to each nonresident worker employed. It also permits the legislature to exempt the employment of domestic workers in private homes from this requirement, since your Committee felt that such a fee might pose an unfair burden on those of our people who need maids to take care of their homes and children while both parents work. This is often a necessity at our present level of economic development.

The committee recommendation also requires that employers be prohibited from deducting any amounts from the pay of the nonresident worker on account of the fee required by this section or from otherwise causing this cost to be borne by the employee. This is important because such passing on of the cost would defeat the purpose of the proposal, which is to discourage the employment of nonresident workers and promote the employment and training of local workers. It is also the intent of your committee that the legislature may provide for this fee to be paid in pro rata installments during the year or for refund or credit of a pro rata portion of the fee in the event a nonresident worker is not employed for a full year.

Your Committee finds that economic disincentives are the only effective means of controlling the influx of nonresident workers and promoting the employment and training of local workers, without hampering economic development by depriving business of the necessary labor supply. Regulatory and bureaucratic efforts always tend to be one or two steps behind the employers and are considerably more difficult to enforce than a fee. Your Committee further finds that a constitutional amendment is necessary, since the legislature would find it very difficult to impose this fee otherwise.

Additionally, by making it more expensive to employ nonresident workers, employers are encouraged to employ and train local workers. The extra cost of employing the nonresident worker does not go to the alien but to the government to cover the additional cost of public services to these workers and meet the developmental needs of the Commonwealth. If the fee were \$2,000 per annum, which is an appropriate level to encourage the employment of local workers instead of aliens, the Commonwealth would realize an addition \$8 million in revenues based on the approximately 4,000 nonresident workers now in the Commonwealth.

Concern was raised during public hearings that this proposal would increase costs to the general public. This concern has some merit, but your Committee feels it was far outweighed by the need to control the number of nonresident workers in the Commonwealth and the benefits of promoting employment of local workers. Further, the best run businesses will quickly replace nonresident workers with local workers, thereby keeping costs down, gaining a competitive advantage, and greatly reducing the inflationary impact.


Delegate Proposals: This committee recommendation is based on Delegate Proposal No. 223-85. That proposal called for fees to increase progressively as follows:

\$150 Immediately  
\$400 October 1, 1986  
\$800 October 1, 1987  
\$1,400 October 1, 1988  
\$2,000 October 1, 1989

Your Committee felt this was an appropriate schedule but decided that some flexibility should be given to the legislature. Your Committee also considered Delegate Proposals No. 273-85 but rejected it for the reasons stated above.

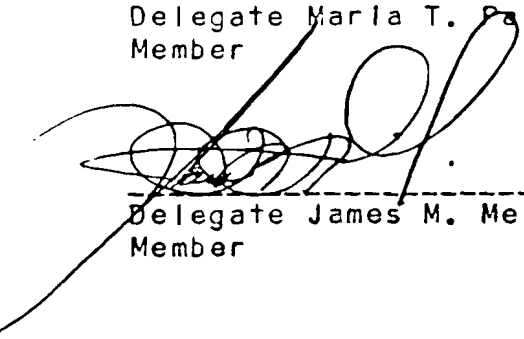
Therefore, your Committee strongly urges all delegates to support the attached committee recommendation.

Respectfully submitted,

  
-----  
Delegate Lorenzo I. Guerrero  
Chairman

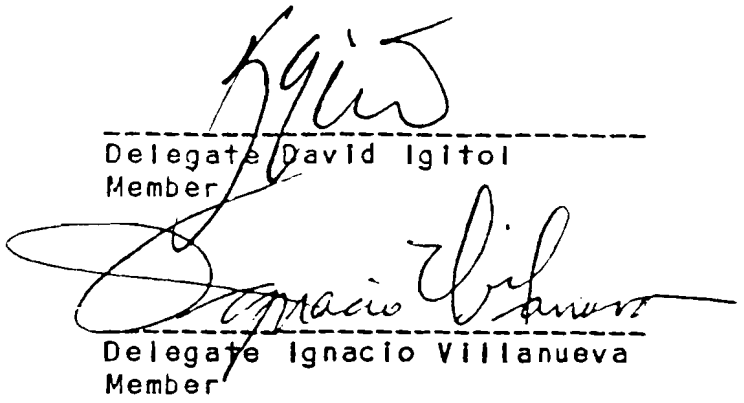
  
-----  
Delegate Rita H. Inos  
Vice Chairperson

-----  
Delegate Maria T. Pangelinan  
Member

A large, stylized handwritten signature in black ink, written over the printed name and member status of Maria T. Pangelinan.

-----  
Delegate James M. Mendiola  
Member

-----  
Delegate David Igitol  
Member

A large, stylized handwritten signature in black ink, written over the printed name and member status of David Igitol. The signature is highly cursive and overlaps the text below it.

-----  
Delegate Ignacio Villanueva  
Member

SECOND NORTHERN MARIANAS  
CONSTITUTIONAL CONVENTION, 1985

COMMITTEE RECOMMENDATION NO. \_\_\_\_\_

A PROPOSED CONSTITUTIONAL AMENDMENT

To add a new section to Article X to require the legislature to impose fees on employers for the employment of nonresident workers.

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 as follows:

- 1 I. Effective upon ratification, a new section is added to  
2 Article X to read:  
3 "Section \_\_\_\_\_. Nonresident Worker Fees.  
4 Employment of nonresident workers is a privilege granted  
5 by the Commonwealth pursuant to law. The legislature  
6 shall provide by law for annual fees to be paid by the  
7 employer for the the privilege of having a nonresident  
8 worker reside and work in the Commonwealth, and such law  
9 shall prohibit the deduction by employers of any amounts  
10 from the pay of the nonresident worker on account of the  
11 fee required by this section or employers otherwise  
12 causing this cost to be borne by the employee. The  
13 legislature may exempt the actual employment of domestic  
14 workers in private homes from the fee required by this  
15 section."

17 Committee on Finance and  
18 Other Matters  
19  
20  
21

REPORT TO THE CONVENTION BY THE  
COMMITTEE ON FINANCE AND OTHER MATTERS

Subject: Committee Recommendation No. 67

The Committee on Finance and Other Matters recommends that the Convention meeting in Committee of the Whole adopt the attached proposed constitutional amendment relative to fees for the privilege of employing nonresident workers.

The Committee's recommended constitutional amendment would require the legislature to provide by law for annual fees to be paid by the employer of the privilege of employing a nonresident worker. The fee would apply to each nonresident worker employed. It also permits the legislature to exempt the employment of domestic workers in private homes from this requirement, since your Committee felt that such a fee might pose an unfair burden on those of our people who need maids to take care of their homes and children while both parents work. This is often a necessity at our present level of economic development.

The committee recommendation also requires that employers be prohibited from deducting any amounts from the pay of the nonresident worker on account of the fee required by this section, or from otherwise causing this cost to be borne by the employee. This is important because such passing on of the cost would defeat the purpose of the proposal, which is to discourage the employment of nonresident workers and promote the employment and training of local workers. It is also the intent of your committee that the legislature may provide for this fee to be paid in pro rata installments during the year or for refund or credit of a pro rata portion of the fee in the event a nonresident worker is not employed for a full year.

Your Committee finds that economic disincentives are the only effective means of controlling the influx of nonresident workers and promoting the employment and training of local workers, without hampering economic development by depriving business of the necessary labor supply. Regulatory and bureaucratic efforts always tend to be one or two steps behind the employers and are considerably more difficult to enforce than a fee. Your Committee further finds that a constitutional amendment is necessary, since the legislature would find it very difficult to impose this fee otherwise.

Additionally, by making it more expensive to employ nonresident workers, employers are encouraged to employ and train local workers. The extra cost of employing the nonresident worker does not go to the alien but to the government to cover the additional cost of public services to these workers and meet the developmental needs of the Commonwealth. If the fee were \$2,000 per annum, which is an appropriate level to encourage the employment of local workers instead of aliens, the Commonwealth would realize an addition \$8 million in revenues based on the approximately 4,000 nonresident workers now in the Commonwealth.

Concern was raised during public hearings that this proposal would increase costs to the general public. This concern has some merit, but your Committee feels it was far outweighed by the need to control the number of nonresident workers in the Commonwealth and the benefits of promoting employment of local workers. Further, the best run businesses will quickly replace nonresident workers with local workers, thereby keeping costs down, gaining a competitive advantage, and greatly reducing the inflationary impact.


Delegate Proposals: This committee recommendation is based on Delegate Proposal No. 223-85. That proposal called for fees to increase progressively as follows:

\$150 Immediately  
\$400 October 1, 1986  
\$800 October 1, 1987  
\$1,400 October 1, 1988  
\$2,000 October 1, 1989

Your Committee felt this was an appropriate schedule but decided that some flexibility should be given to the legislature. Your Committee also considered Delegate Proposals No. 273-85 but rejected it for the reasons stated above.

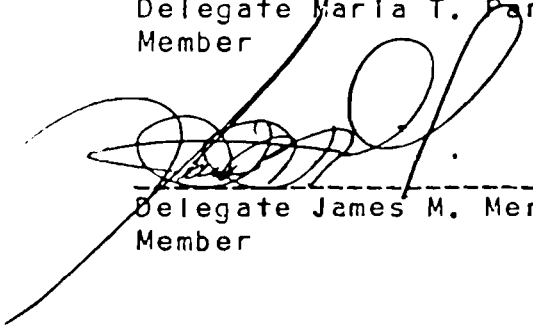
Therefore, your Committee strongly urges all delegates to support the attached committee recommendation.

Respectfully submitted,

  
-----  
Delegate Lorenzo I. Guerrero  
Chairman


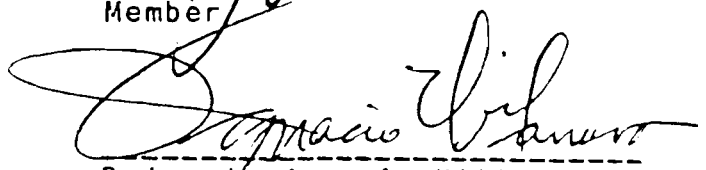
  
-----  
Delegate Rita H. Inos  
Vice Chairperson

-----  
Delegate Maria T. Pangelinan  
Member

A large, stylized handwritten signature in black ink, written over the printed name and member status of Maria T. Pangelinan.

-----  
Delegate James M. Mendiola  
Member

-----  
Delegate David Igitol  
Member

  
  
-----  
Delegate Ignacio Villanueva  
Member





COMM. REC. NO. & SHORT TITLE	FIRST READING	ACTION	SEC./FINAL READING	ACT I
CR No. 1, Resolutions No. 1-85, cd1, Appreciation to Pre-Cong				
CR No. 2, SP No. 40-85, re Local Government	6/24/85	Filed		
CR No. 3, Proposal Nos. 73-85, 118-85 re Local Government	6/24/85			
CR No. 4, SP No. 124-85 re Local Government	6/26/85	Filed		
CR No. 5 Resolution No. 4-85, Utilities of Co. Co. Hall	6/27/85	Adopted		
CR No. 6, Section 4(c), Article XI, N.S.H.C.				
✓ CR No. 7, Section 2(a), Article XVIII re Co. Co.				
CR No. 8, Section 11, Article I re Victims of Crimes	7/2/85 7/6/85	Passed COW	7/18/85	Passed
CR No. 9, Section 7(a), Article II re Action on Legislation				
✓ CR No. 10, Section 11, Article II re Other Govt Employment	7/11/85	COW-A	7/14/85	Adopted Passed
CR No. 11, Section 15, Article II re Conduct of Members				
✓ CR No. 12, Section 18, Article III re Ex. Ant. Carolinian Affairs	7/14/85	COW-A (am)	7/16/85	Adopted Passed
CR No. 13, Section 2, Article I re Freedom of Petition		Rejected		

COMM. REC. NO. & SHORT TITLE	FIRST READING	ACTION	SEC./FINAL READING	ACTION
CR No. 14 - Res. No. 3-85, CS1, Extend Con Cox Days	6/29/85 7/14/85	Special COW - B	7/16/85 - Passed Adapted	
CR No. 15 - Section 3(b), Article II re Acquisition of House	7/2/85	Passed COW - B		
CR No. 16 - Article XVIII, Section 5(a) re <sup>ratification (of election)</sup> collection of amendments	7/6/85 7/9/85	Passed COW - A	7/8/85	Passed
CR No. 17 - Res. No. 6-85, CS1, Ratification of Amendments	7/11/85	Withdrawn Filed		
CR No. 18 - Section 1, Article VII, Regular General Election	7/8/85 7/9/85	Passed COW (Adapted)	7/10/85 - D	Adapted
CR No. 19 - Section 3, Article XII, Permanent and Long-Term Interests; Real Property	7/9/85 7/10/85	Passed COW - B (am)	7/16/85 7/19/85	Deferred Passed
CR No. 20 - Section 2, Article XII re Acquisition	7/9/85 7/10/85	Passed COW - B (am)	7/16/85 7/18/85 (Sub.)	Deferred Passed
CR No. 21 - Section 11, Article I re Abortion	7/9/85 7/13/85	Passed COW - A		
CR No. 22 - Section 1, Article XIII re Eminent Domain Power	7/9/85 7/13/85	Passed COW - Res.		
CR No. 23 - New Section, Article X re Real Property Tax	7/9/85 7/10/85	Passed COW - A	7/10/85	Passed
CR No. 24 - New Section, Article II re Legislative Budget Ceiling	7/9/85	Passed	7/19/85	Passed
CR No. 25 - New Article, Civil Service Commission	7/10/85 7/11/85	Passed COW - A	7/18/85	Passed
CR No. 26 - New Section 20, Article III, Resident Rep. to US.	7/10/85 7/11/85	Passed COW - B	7/20/85	Passed

COMM. REC. NO. & SHORT TITLE	FIRST READING	ACTION	SEC./FINAL READING	ACTION
✓ CR No. 27, Section 8, Schedule re Citizenship	7/10/85 7/12/85	Passed COA-A (am)	7/16/85 7/19/85	Agreed Passed
✓ CR No. 28, Section 9, Article I, Clean & Healthful Environment	7/10/85 7/12/85	Passed COA-A (am)	7/16/85 <del>7/14/85</del>	Passed Amended Passed
✓ CR No. 29, Section 2, Article XIV re Limit Limited Delenbo	7/10/85 7/12/85	Passed COA-A	7/16/85	Passed
✓ CR No. 30, New Section 2, Article XVII re Code of Ethics	7/10/85 7/12/85	Passed COA-A	7/16/85	Passed
✓ CR No. 31, New Section 17(b), Article III re Public Service	7/10/85 7/12/85	Passed COA-B (am)		Filed
✓ CR No. 32, New Section, Article VIII re Public Office	7/10/85 7/12/85	Passed COA-A	7/16/85	Passed
✓ CR No. 33, Section 1, Article X re Public Purpose	7/10/85 7/12/85	Passed COA-A (am)	7/16/85	Passed
✓ CR No. 34, Section 12, Article III re Public Auditor	7/10/85 7/12/85	Passed COA-A	7/16/85	Passed
✓ CR No. 35, Section 1, Article VII re Qualification of Voters (2 revisions)	7/11/85 7/13/85	Passed COA-A	7/16/85	Agreed Filed
✓ CR No. 36, New Section, Article II re Legislative Veto	7/11/85 7/13/85	Passed COA-A	7/19/85	Agreed Filed
✓ CR No. 37, Section 9(a), Article III re Executive Functions	7/11/85 7/13/85	Passed COA-B	Incorporated to CR No. 10 7/16	
✓ CR No. 38, Section 14(a), Article II re Expulsion of Members	7/11/85 7/13/85	Passed COA-A (am)	7/14/85	Amended Passed
✓ CR No. 39, Section X, Article II re Conduct of Members	7/11/85 7/13/85	Passed COA-D		

COMM. REC. NO. & SHORT TITLE	FIRST READING	ACTION	SEC. / FINAL READING	ACTIC
CR No. 40, Sections 5 & 6, Article XII, Corporations	7/11/85 7/12/85	Passed COW-A	7/12/85 7/12/85	Deferred Passed
CR No. 41, Article VI and Article III re Local Government	7/11/85 7/12/85 7/12/85	Passed COW-A Passed	7/16/85	Passed
CR No. 42, New Article, Constitution, Prohibition on Gambling	7/13/85 7/17/85	COW-A Passed	7/18/85 (Subv.)	Passed
CR No. 43, New Article, Constitution, re Official Seal, Flag & Language	7/13/85 7/17/85	COW-A Passed	7/16/85	Passed
CR No. 44, Section 10, Article II re Governor's Emergency Powers	7/17/85 7/18/85	Passed COW-A	7/18/85	Passed
CR No. 45, Section 2, Article III re Qualifications of Governor	7/17/85 7/14/85	Passed COW-A (cont)	7/18/85	Passed
CR No. 46, Section 4, Article III re Joint Elections Governor & Lt.	7/17/85 7/16/85	Passed COW-A	7/18/85	Passed
CR No. 47, Section 7, Article III re Succession	7/17/85 7/16/85	Passed COW-A	7/18/85	Passed
CR No. 48, New Section, Article III re Independence	7/17/85 7/16/85	Passed COW-A	7/18/85	Passed
CR No. 49, Section 4, Article X, Public Dept	7/14/85 7/15/85	Passed COW-A	7/16/85 7/18/85	Deferred Passed
CR No. 50, Section 4(a) & (b), Article III, Balanced Budget	7/14/85 7/15/85	Passed COW-A	7/16/85	Passed
CR No. 51, Section 6(c), Article XI, INPLT	7/14/85 7/15/85	Passed COW-A (ca)	7/16/85	Passed
CR No. 52, Section 13, Article II, Sessions	7/14/85 7/15/85	Passed COW-A (ca)	7/16/85	Passed

COMM. REC. NO. & SHORT TITLE	FIRST READING	ACTION	SEC. / FINAL READING	ACTION
CR No. 53, Section 2, Article 11, Composition of Senate	7/12/85	Passed	7/16/85	Passed
CR No. 54, Section 3, Article 11, Composition of House	7/15/85	COV-A	7/18/85	Passed
CR No. 55, New Section, Schedule, Legislative Activa Required	7/16/85	COV-A	7/19/85	Passed
CR No. 56, Section 11, Article III, re Attorney General	7/17/85	COV-A	7/20/85	Passed
CR No. 57, New Section, Article II, Women's Rights	7/18/85	COV-A	7/20/85	Passed
CR No. 58, Sections 2, 3, & 4, Article II, Judicial Branch	7/18/85	COV-A	7/19/85	Passed
CR No. 59, New Section, Article I, Virginia Fiscal Regd. Policy	7/18/85	COV-A	7/19/85	Passed
CR No. 60, Sections 4 & 5, Article IX, re NPLC	7/18/85	COV-A	7/19/85	Passed
CR No. 61, New Section, Article II re Legislative Bureau	7/18/85	COV-A	7/19/85	Passed
CR No. 62, New Section, Article I, re Personnel Reading in CHM	7/18/85	COV-A	7/19/85	Passed
CR No. 63, Section 7, Article II re Prohibition of Legislative Personnel	7/18/85	COV-A	7/19/85	Passed
CR No. 64, New Section, Article IV re Education	7/19/85	COV-A	7/20/85	Passed
CR No. 65, Section 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100	7/20/85	COV-A	7/20/85	Passed

CR No. 66, Section 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100