COMMITTEE DRAFT

#### 7/29/95

#### ARTICLE XII: RESTRICTIONS ON ALIENATION OF LAND

# Section 1: Alienation of Land

The acquisition of permanent and long-term interests in real property within the Commonwealth shall be restricted to persons of Northern Marianas descent.

### Section 2: Acquisition

The term acquisition used in Section 1 includes acquisition by sale, lease, gift, inheritance or other means except a transfer by inheritance or gift to a child or grandchild or a person who was adopted before age six, a transfer by inheritance to a spouse who is not of Northern Marianas descent as provided by law, and a transfer to a mortgagee by means of foreclosure if the mortgagee is a full service bank, federal agency or governmental entity of the Commonwealth and does not hold the permanent or long-term interest in real property for more than ten years after foreclosure.

### Section 3: Permanent and Long-Term Interest in Real Property

The term permanent and long-term interests in real property used in Section 1 includes freehold interests and leasehold interests of more than fifty-five years including renewal rights and related obligations.

#### Section 4: Persons of Northern Marianas Descent

A person of Northern Marianas descent is a person who is a citizen or national of the United States and who is of at least one-quarter Northern Marianas Chamorro or Northern Marianas Carolinian blood or a combination thereof. For purposes of determining Northern Marianas descent, a person shall be considered to be a full-blooded Northern Marianas Chamorro or Northern Marianas Carolinian if that person was born or domiciled in the Northern Mariana Islands by 1950 and was a citizen of the Trust Territory of the Pacifid Islands before the termination of the Trusteeship with respect to the Commonwealth.

# Section 5: Corporations

A corporation shall be considered to be a person of Northern Marianas descent so long as it is incorporated in the Commonwealth, has its principal place of business in the Commonwealth, has directors at least fifty one percent of whom are persons of Northern Marianas descent over the age of 21 years who actually, completely, and directly govern the affairs of the corporation, and has voting shares at least fifty one percent of which are actually, completely, and directly owned and voted by persons of Northern Marianas descent.

## Section 6: Enforcement

Any transaction made in violation of Section 1 shall be voidable. If a corporation is divested of land for violation of Section 1, the land shall be forfeited to the government. The attorney general shall establish an office to assist landowners, to monitor land transfers, and to assist in enforcing this article. Any action challenging a transaction shall be filed within six years of the transaction.