



RALPH DLG. TORRES
Governor

VICTOR B. HOCOG
Lieutenant Governor

COMMONWEALTH of the NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

14 JUN 2018

The Honorable Arnold I. Palacios
Senate President, The Senate
Twentieth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

The Honorable Rafael S. Demapan
Speaker, House of Representatives
Twentieth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Mr. President and Mr. Speaker:

This is to inform you that I have signed into law Senate Bill No. 20-64, SD1, HD1 entitled, "To establish a State Directory of New Hires; and for other purposes", which was passed by the Senate and the House of Representatives of the Twentieth Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 20-60**. Copies bearing my signature are forwarded for your reference.

Sincerely,



RALPH DLG. TORRES

cc: Lt. Governor; Press Secretary; Attorney General's Office; Department of Labor; Department of Community and Cultural Affairs; Secretary of Finance; Commonwealth Healthcare Corporation, CNMI Office of Medical Referral; Special Assistant for Administration; Special Assistant for Programs and Legislative Review



THE SENATE
Twentieth Northern Marianas Commonwealth Legislature
P. O. Box 500129
Saipan, MP 96950

May 17, 2018

The Honorable Ralph DLG. Torres
Governor
Commonwealth of the Northern Mariana Islands
Capital Hill
Saipan, MP 96950

Dear Governor Torres:

I have the honor of transmitting herewith for your action Senate Bill No. 20-64, SD1, HD1, entitled: "To establish a State Directory of New Hires; and for other purposes" which was passed by the Senate and the House of Representatives of the Twentieth Northern Marianas Commonwealth Legislature.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dolores S. Bermudes". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

Dolores S. Bermudes
Senate Clerk

Attachments



THE SENATE
TWENTIETH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

SENATE BILL NO. 20-64, SD1, HD1

AN ACT

To establish a State Directory of New Hires; and for other purposes.

SENATE ACTION

Offered by Senator(s): Arnold I. Palacios

Date: August 10, 2017

Referred to: Committee on Judiciary, Government and Law

Standing Committee Report No.: 20-44 adopted on 10/25/17

First and Final Reading: May 16, 2018

HOUSE ACTION

Referred to: Judiciary and Governmental Operations Committee

Standing Committee Report No.: 20-110 adopted on 4/24/18

First and Final Reading: April 24, 2018

A handwritten signature in dark ink, appearing to read "Dolores S. Bermudes", is written over a horizontal line.

DOLORES S. BERMUDES
SENATE CLERK



THE SENATE
TWENTIETH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

SECOND REGULAR SESSION, 2017

S. B. NO. 20-64, SD1, HD1

AN ACT

To establish a State Directory of New Hires; and For Other Purposes.

BE IT ENACTED BY THE TWENTIETH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:

1 **Section 1. Short Title.** This Act may be referred to as the “State Directory of
2 New Hires” Act of 2017.

3 **Section 2. Findings and Purpose.**

4 (a) Pursuant to 42 USC 653(a), each State or territory shall establish an
5 automated directory (to be known as the “State Directory of New Hires”) which shall
6 contain required information by employers on each newly hired employee.

7 (b) Employers play an important role in the child support program.

8 (c) Employers have access to important ~~locate~~ location and income information
9 of custodial and non-custodial parents.

10 (d) Employers will assist the Child Support Enforcement Office in the location
11 of custodial and non-custodial parents and in setting reasonable child support obligations.

12 (e) The reporting of new hires by employers will provide useful information to
13 the Child Support Enforcement Office to more effectively enforce the child support
14 obligations of non-custodial parents.

15 **Section 3. Enactment.** Subject to the codification of the Law Revision
16 Commission, the following is hereby enacted as follows:

17 “Section 101. Definitions.

18 As used in this Article:

SENATE BILL NO. 20-64, SD1, HD1

(a) "Date of hiring" means the earlier of:

(1) the first day for which an employee is owed compensation by an employer; or

(2) the first day that an employee reports to work or performs labor or services for an employer.

(b) "Earnings" means payment owed by an employer for labor or services rendered by an employee.

(c) "Employee" means an individual who performs services for remuneration for another person who has the right to control and direct the individual in the means by which such services are performed. This term includes an officer of a corporation.

(d) "Independent Contractor" means a person who performs services for remuneration for another person who does not have the right to control and direct the person in the performance of such service, but is liable in contract to that other person for the results attained through such service.

(e) "Employer" means the person, including placement agencies, temporary employment agencies, government entities and labor organizations, for whom any individual performs any service as the employee of such person, except that:

(1) if the person for whom the individual performs the services does not have control of the payment of the wages for such services, the term employer means the person having control of the payment of such wages, and

(2) in the case of a person paying wages on behalf of a non-resident alien, foreign partnership, or foreign corporation, not engaged in trade or business within the United States, the term employer means such person.

(f) "Labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of

SENATE BILL NO. 20-64, SD1, HD1

1 employment, or conditions of work, and includes any entity which is used by the
2 organization and an employer to carry out requirements described in section 8(f)(3)
3 of the federal National Labor Relations Act, of an agreement between the
4 organization and the employer.

5 (g) "Hiring" means entering into a contract of hire with a person to perform
6 services in exchange for compensation and includes the re-hiring or return to work
7 of any previous employee who was laid off, furloughed, separated, granted a leave
8 without pay, or terminated from employment.

9 (h) "Secretary" shall mean the Secretary of U.S. Department of Health and
10 Human Services.

11 (i) "Director of New Hires" shall mean the Attorney General of the
12 Commonwealth of the Mariana Islands or that person's designee within the Child
13 Support Enforcement Office of the Office of the Attorney General.

14 (j) "Working day" or "business day" as used in this Article shall mean a day
15 on which the government of the CNMI is open for regular business.

16 (k) "CNMI" means the Commonwealth of the Northern Mariana Islands.
17 Section 102. Directory of New Hires Established.

18 There is established, within the Office of the Attorney General, Child
19 Support Enforcement Office, a directory of new hires for the purpose of receiving
20 information supplied by employers on newly hired, rehired, or returned to work
21 employees who work in CNMI.

22 Section 103. Duty of Employers to Report.

23 (a) An employer shall report to the Director of New Hires whenever that
24 employer hires or rehires an employee, or an employee who returns to work in
25 CNMI. Employers shall submit reports required under this subsection within
26 twenty (20) calendar days of the date of hiring or rehiring of an employee, or when
27 an employee returns to work. An employer shall submit to the Director of New
28 Hires an initial list of all its current employees in conformance with section 106.

SENATE BILL NO. 20-64, SD1, HD1

1 Said initial list shall be submitted no later than 90 days from the effective date of
2 this Act.

3 (b) An employer shall report to the Director of New Hires whenever an
4 employee has resigned, been terminated, furloughed, or otherwise is no longer
5 employed by the employer or in any event where there is a cessation of earnings to
6 the employee for a period of more than two (2) weeks. Said report shall be
7 submitted on a monthly basis but no later than the 10th day of each month.

8 Section 104. Penalty for Failure to Report.

9 (a) An employer who:

10 (1) fails to file reports as required by this Article, and has not
11 previously received a written notice of non-compliance, shall receive
12 written notice of non-compliance;

13 (2) fails to file reports as required by this Article and has previously
14 received written notice of non-compliance, is subject to a civil penalty of
15 Twenty-Five Dollars (\$25.00) for each intentionally unreported employee,
16 except that the penalty shall be Five Hundred Dollars (\$500.00) for each
17 intentionally unreported employee if the failure to report is the result of a
18 conspiracy between the employer and the employee not to supply the
19 required report or to supply a false or incomplete report.

20 (b) The written notice of non-compliance furnished under (a) of this Section
21 shall request that the employer comply with the reporting requirements of this
22 Article, and advise the employer of the penalty for non-compliance.

23 Section 105. Means to Report.

24 (a) Employers may report by delivering or mailing a copy of the employees
25 W-4 form or W-9 form or any other document that contains the required
26 information, transmitting the required information by electronic or magnetic means
27 in a compatible format that will result in timely reporting.

28 (b) If an employer transmits information magnetically or electronically, the
29 employer shall submit the report:

SENATE BILL NO. 20-64, SD1, HD1

1 (1) twice a month, and

2 (2) not less than twelve (12) days or more than sixteen (16) days
3 apart.

4 (c) If an employer makes a report by mail, the date of making the report is
5 the postmark date if the report is mailed in the United States with First Class
6 postage and is addressed as the Director provides.

7 Section 106. Information Required to be Reported and Multi-State
8 Employers.

9 (a) Reports required under Section 103 of this Chapter must contain:

10 (1) the employee's name, address, social security number, date of
11 birth when available, and the date services for remuneration were first
12 performed by the employee, which can be handwritten or otherwise added
13 to the W-4 form, W-9 form or other document submitted; and

14 (2) the employers name, address, and Federal employer
15 identification number.

16 (b) If an employer has employees who are employed in two (2) or more
17 States, one of which is the CNMI, and the employer transmits reports magnetically
18 or electronically, then it may comply with the provisions of Subsection (a) of this
19 Section 106 by designating one State in which such employer has employees to
20 which the employer will transmit the report described in Subsection (a) of this
21 Section 106, and then transmitting such report to such State. Any employer that
22 transmits reports pursuant to Subsection (b) of this Section 106 shall notify the
23 Secretary in writing as to which State such employer designates for the purpose of
24 sending reports.

25 Section 107. Access to and Disposition of Information.

26 (a) The Director of New Hires shall ensure that information received from
27 an employer pursuant to this Article will be entered into the Directory of New
28 Hires within five (5) business days of receipt. Within three (3) business days after

SENATE BILL NO. 20-64, SD1, HD1

1 entry into the Directory of New Hires, the Director of New Hires shall furnish the
2 information to the National Directory of New Hires.

3 (b) Data contained in the Directory of New Hires shall be disclosed only to
4 authorized employees of the Child Support Enforcement Office, or to other State
5 IV-D agencies as may be requested.

6 (c) The Child Support Enforcement Office shall use the information
7 received to locate individuals for purposes of establishing paternity and
8 establishing, modifying, and enforcing child support obligations, and may disclose
9 such information to any agent of the Child Support Enforcement Office under
10 contract to carry out such purposes.

11 (d) Within two (2) business days after the date information regarding a
12 newly hired employee is entered into the Directory of New Hires, the Office shall
13 transfer a notice to the employer directing the employer to withhold from the
14 income of the employee an amount equal to the monthly or other periodic child
15 support obligation, including any payment ordered for past due support subject to
16 the Consumer Credit Protection Act limits, unless the employee's income is not
17 subject to withholding pursuant to a finding of the court or administrative body that
18 there is good cause not to require immediate income withholding, or a written
19 agreement is reached between both parties which provides for an alternative
20 arrangement. In any event, however, the income of a non-custodial parent shall
21 become subject to withholding on the date the non-custodial parents support
22 obligation is in arrears one (1) month, or on the date the non-custodial parent
23 requests that the withholding begin, or on the date the custodial parent requests the
24 withholding begin and the Office determines there is no reason why the request
25 should not be approved, or on the date the Office so elects.

26 (e) The Director of New Hires shall, on a quarterly basis, furnish to the
27 National Directory of New Hires, information concerning the wages paid to
28 individuals, by such dates, in such format, and containing such information as the
29 Secretary of Health and Human Services shall specify in regulations.

SENATE BILL NO. 20-64, SD1, HD1

1 (f) The Department of Labor shall have access to the data received from
2 employers pursuant to this § 107 for purposes of administering employment
3 security or workers compensation programs, but shall limit disclosure of such
4 information for this authorized purpose only.

5 (g) The Department of Community and Cultural Affairs and any other
6 agency administering a Federal program enumerated in 42 U.S.C. § 1320b-7(b)
7 shall have access to the information reported by employers for purposes of
8 verifying eligibility for such programs, but shall limit disclosure of such
9 information for this authorized purpose only.

10 Section 108. Government of CNMI to Report Hiring of Independent
11 Contractors.

12 The Government of the CNMI, when acting in the capacity of contractee,
13 shall report the execution of a contract with any person as an independent
14 contractor to the Director of New Hires in the same manner as the hiring of an
15 employee is reported.

16 Section 109. Comparison of Information and Notice of Match.

17 (a) As soon as practicable after the enactment of this Section, the Office
18 shall, either directly or by contract, conduct automated comparisons of the social
19 security numbers reported by employers pursuant to this Article and the social
20 security numbers appearing in the records of the CNMI's case registry.

21 (b) When an information comparison conducted pursuant to Subsection (a)
22 of Section 109 reveals a match with respect to the social security number of an
23 individual required to provide support under a support order, the case registry in the
24 CNMI child support enforcement system shall be automatically updated with the
25 information in the Directory of New Hires."

26 **Section 4. Severability.** If any provision of this Act or the application of any such
27 provision to any person or circumstance should be held invalid by a court of competent
28 jurisdiction, the remainder of this Act or the application of its provisions to persons or
29 circumstances other than those to which it is held invalid shall not be affected thereby.

SENATE BILL NO. 20-64, SD1, HD1

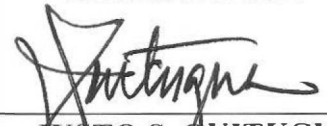
1 **Section 5. Savings Clause.** This Act and any repealer contained herein shall not
2 be construed as affecting any existing right acquired under contract or acquired under
3 statutes repealed or under any rule, regulation or order adopted under the statutes.
4 Repealers contained in this Act shall not affect any proceeding instituted under or pursuant
5 to prior law. The enactment of this Act shall not have the effect of terminating, or in any
6 way modifying, any liability civil or criminal, which shall already be in existence at the
7 date this Act becomes effective.

8 **Section 6. Effective Date.** This Act shall take effect upon its approval by the
9 Governor or upon its becoming law without such approval.

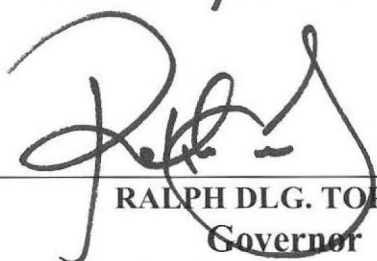
CERTIFIED BY:


ARNOLD I. PALACIOS
PRESIDENT OF THE SENATE

ATTESTED BY:


JUSTO S. QUITUGUA
SENATE LEGISLATIVE SECRETARY

Approved this *14th* day of *June*, 2018


RALPH DLG. TORRES
Governor
Commonwealth of the Northern Mariana Islands