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,

[Signature]

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
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,

Dolores S. Bernales
Senate Clerk

Attachments
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
AN ACT

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

BE IT ENACTED BY THE TWENTIETH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

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

Section 2. Findings and Purpose.

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

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

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

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

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

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

“Section 101. Definitions.

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

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

(h) “Secretary” shall mean the Secretary of U.S. Department of Health and
Human Services.

(i) “Director of New Hires” shall mean the Attorney General of the
Commonwealth of the Mariana Islands or that person’s designee within the Child

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

(k) “CNMI” means the Commonwealth of the Northern Mariana Islands.

Section 102. Directory of New Hires Established.

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

Section 103. Duty of Employers to Report.

(a) An employer shall report to the Director of New Hires whenever that
employer hires or rehires an employee, or an employee who returns to work in
CNMI. Employers shall submit reports required under this subsection within
twenty (20) calendar days of the date of hiring or rehiring of an employee, or when
an employee returns to work. An employer shall submit to the Director of New
Hires an initial list of all its current employees in conformance with section 106.
Said initial list shall be submitted no later than 90 days from the effective date of this Act.

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

Section 104. Penalty for Failure to Report.

(a) An employer who:

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

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

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


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

(b) If an employer transmits information magnetically or electronically, the employer shall submit the report:
Section 106. Information Required to be Reported and Multi-State Employers.

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

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

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

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

Section 107. Access to and Disposition of Information.

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

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

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

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

(e) The Director of New Hires shall, on a quarterly basis, furnish to the
National Directory of New Hires, information concerning the wages paid to
individuals, by such dates, in such format, and containing such information as the
Secretary of Health and Human Services shall specify in regulations.
(f) The Department of Labor shall have access to the data received from employers pursuant to this § 107 for purposes of administering employment security or workers compensation programs, but shall limit disclosure of such information for this authorized purpose only.

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


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

Section 109. Comparison of Information and Notice of Match.

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

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

Section 4. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.
Section 5. **Savings Clause.** This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability civil or criminal, which shall already be in existence at the date this Act becomes effective.

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