

A
BILL
FOR AN ACT

to amend Title 48, Chapter 2 of the MIRC, Import Duties and License Act, in order to limit the importation of bottled and other related matters

BE IT ENACTED BY THE NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS:

Section 1. **Short Title**

This Act may be cited as the Import Duties (Bottled Water) (Amendment) Act, 2016.

Section 2. **Amendments**

Sections 203A, 203B, 203C and 203C of the Import Duties Act of 1989, 48MIRC Chp. 4, are amended as follows:

PART II - LIMITATION ON THE NUMBER OF IMPORTERS

(1) §203A. Prohibition against Importation without a License

(1) Notwithstanding the provisions of any other Act to the contrary, no person corporation or any other business association or entity shall have the authority to import into the Republic, any alcohol or alcohol based products, ~~or~~ any tobacco, or any other tobacco based products, or any bottled water without the approval of the Secretary of Finance.

(2) Such approval shall be issued in the form of a license or licenses, pursuant to the provisions of this Part.

(3) Any person, corporation or any other business association or entity that violates the prohibition set out in subsection (1) above shall be liable to the penalties set out under Sections 203F and 223 of this Act.

1 **(2) §203B. License to Import Alcohol, ~~and~~ Tobacco Products and Bottled Water**

2 (1) Any person, corporation or any other business association or entity who
3 intends to import any alcohol and alcohol based products, tobacco, ~~and~~ any other tobacco
4 based products, and any bottled water, for re-sale within the Republic shall first apply to
5 the Secretary of Finance, for license to import such goods under this part. The Secretary
6 of Finance shall issue separate licenses for the importation of alcohol and alcohol based
7 products, ~~and~~ for the importation of tobacco and tobacco based products and for
8 importation of bottled water.

9 (2) Such licenses shall be in a form approved by the Secretary of Finance.

10 (3) The application for a license under this part shall contain:

11 (a) the name of the applicant's business;

12 (b) the applicant's principal place of business in the Republic and its
13 authorized representative for purposes of the application;

14 (c) the purpose, scope, and objectives of the business activities to be
15 conducted by the applicant;

16 (d) the proposed form of the business organization, including the
17 ownership and management structure;

18 (e) the names, addresses, and citizenship of the initial owners and
19 managers;

20 (f) proposals for ownership and management by citizens of the Republic;

21 (g) proposals to give employment preferences to citizens of the Republic
22 and to train citizens of the Republic for positions in management and at other
23 levels;

1 (h) anticipated capital contributions, revenue and expenditure for the first
2 three (3) years;

3 (i) any other information that Secretary of Finance deems necessary or
4 appropriate.

5 (4) Any person, corporation or other business association or entity:

6 (a) that has past due and outstanding taxes under the laws of the Republic;

7 (b) that has failed to fulfill any arrangement with the Secretary of Finance
8 to settle any past due and outstanding taxes; shall not be eligible to apply for a
9 license under this Part.

10 **(3) §203 C Invitations to Bid**

11 (1) The Secretary of Finance shall solicit applications for a license under this Part,
12 through an invitation for bids.

13 (2) The Invitation for bids shall contain:

14 (a) an invitation to all those persons, corporations or other business
15 associations or entities intending to import alcohol, and tobacco products, and
16 bottled water to submit an application pursuant to Section 203B above;

17 (b) terms and conditions of the license, any fees payable under this Part
18 and any other information deemed necessary by the Secretary of Finance; and

19 (c) a request for the production of any background information on the
20 applicant and any other information deemed necessary by the Secretary of
21 Finance.

(3) Adequate public notice of the Invitation for Bids shall be given by the Secretary of Finance, and may include publication in a newspaper of general circulation for a reasonable period of time.

(4) §203 D Number of Licenses Authorized under this Part

(1) The Secretary of Finance is hereby authorized to issue:

(a) no more than thirty (30) licenses for the importation of alcohol, alcohol based products reach financial year; and

(b) no more than thirty (30) licenses for the importation of tobacco and tobacco based products each financial year;

(c) no more than twenty (20) licenses for the importation of bottled water each financial year;

(2) Except for the initial licenses, all licenses shall take effect on October 1st and remain in force for a period of twelve months.

(3) At the expiration of such period, the Secretary of Finance shall again, solicit applications through an invitation for bids pursuant to the provisions of Section 203C above and any Regulations promulgated pursuant to this Part.

(4) Where the Secretary of Finance determines that more than fifteen applicants are equally qualified, the Secretary of Finance shall decide the outcome by a drawing of lots.

Section 3. Effective Date

This Act shall take effect on the date of certification in accordance with Article IV, Section 21 of the Constitution.

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Date: Mar. 3, 2016

Introduced by:

PRINT NAME Signature

Sherwood Tison [Signature]
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DAVID PAUL [Signature]
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Wilbur Heim [Signature]
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BILL SUMMARY

The Bill proposes to amend the Import Duties and Licenses Act, in order to limit the importation of water bottles in the Marshall Islands.

The aim of the Bill is to encourage and support the development of local water industries, and to discourage importation and distribution of uncertain labels that may be unsafe and dangerous.

The Bill proposes that companies importing water bottles to the Marshall Islands must follow the same licensing process to import alcohol and tobacco in the Marshall Islands as required under the Import Duties and Licenses Act.