



TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

HOUSE OF REPRESENTATIVES

COMMITTEE ON COMMERCE

P.O. BOX 500586 SAIPAN, MP 96950

THOMAS JOHN "TJ" DELA CRUZ MANGLONA
CHAIRMAN

Adopted - 7/14/2025
STANDING COMMITTEE REPORT NO. 24-12
DATE: May 8, 2025
RE: House Bill No. 24-13

The Honorable Edmund S. Villagomez
Speaker of the House of Representatives
Twenty-Fourth Northern Marianas
Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Dear Mr. Speaker:

Your Committee on Commerce to which was referred:

House Bill No. 24-13: To amend the fee structure for the Office of the Registrar of Corporations under the Department of Commerce and to remove daily penalty fees.

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion, your committee recommends that House Bill No. 24-13 be passed by the House in the form of House Draft 1.

II. ANALYSIS:

A. Purpose:

The purpose of this Act is to reduce start-up costs for small businesses.

B. Committee Amendments:

The Committee made the following amendments to strengthen the intent of this Act.

1. Page 2, Lines 14-12. Findings and Purpose was amended to read as follows:

~~“The Legislature recognizes that the Department of Commerce requires additional resources to support its operations; thus, the purpose of this Act is to delete the sunset include a provision that will reinstate the higher fee structure prior; authorize the Secretary of Commerce to adjust fees; and eliminate daily penalty fees. The authority to adjust fees reside exclusively with the Secretary of Commerce; however, any increase must not exceed 25 percent.”~~to its 25% reduction as soon as the Department of Commerce procures and implements an online platform for document submission and processing, as well as to eliminate all daily penalty fees.”

2. Page 6, Lines 1-8. Section 2, § 4205 (c) is amended to read as follows:

~~“(c) Sunset Provision. All reduced fees will revert to the level they were before the 25% reduction authorized by Public Law 21-37, thirty (30) days after the CNMI Department of Commerce procures and implements a permanent online platform for the submission and processing of documents.”~~

(c) The authority to adjust fees resides exclusively with the Secretary of Commerce; however, any adjustment shall not exceed 25 percent.”

B. Committee Findings:

Your Committee finds that Public Law No. 21-37, as codified under 4 CMC § 4205, was

enacted to update the fee structure for the Office of the Registrar of Corporations under the Department of Commerce that has not been raised for many years. Since the establishment of the Office of the Registrar of businesses, there has been a rise in economic activities and non-profit businesses seeking to invest and improve the welfare of the Commonwealth. Moreover, with the advent of the COVID-19 pandemic, businesses dedicated to serving our community have continued operations despite experiencing income losses. The Committee concludes that there was no intention to impose excessive hardship by levying daily late penalties with a late filing cost for reports.

Accordingly, the purpose of this legislation is to remove the sunset provision that would reinstate the higher fee structure, empower the Secretary of Commerce to modify fees, and abolish daily penalty fees.

C. Public Comments/Public Hearing:

The Committee solicited comments from the following entities:

1. CNMI Office of the Attorney General
2. Saipan Chamber of Commerce
3. Department of Commerce
4. Department of Finance
5. Mayor of Saipan
6. Mayor of Tinian and Aguiguan
7. Mayor of Rota
8. Mayor of the Northern Islands
9. Municipal Councils

The Committee received comments from the following:

- Joe C. Guerrero, President, Saipan Chamber of Commerce. Comments dated April 11, 2025.

“On behalf of the Saipan Chamber of Commerce (SCC), I am writing to share our support to H.B. No. 24-13 which seeks amend the fee structure for the Office of the Registrar of Corporations under the Department of Commerce and to remove daily penalty fees.”

Comment received have been attached as part of this committee report.

D. Legislative History:

House Bill No. 24-13 was introduced by Representative Thomas John “TJ” DLC. Manglona on March 11, 2025 and was subsequently referred to the House Standing Committee on Commerce for disposition.

Similar legislations were introduced in the Twenty-Second and Twenty-Third Legislatures to remove daily penalties; waive outstanding daily penalty fees; reimburse daily penalty fees that have been paid already; and reduce start-up cost for small businesses.

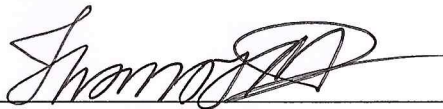
E. Cost Benefit:

The enactment of House Bill No. 23-13, HD1 will result in a loss to the CNMI Government. First, by reducing the start-up costs for small businesses; and Second, by removing daily penalty fees imposed on late filing of annual reports. However, the proposed legislation’s purpose is to provide relief and encourage the growth of new and existing small businesses and to rectify the unintentional burden placed on businesses and non-profit corporations that are already required to pay a penalty for filing late.

III. CONCLUSION:

The committee is in accord with the intent and purpose of House Bill No. 24-13 and recommends its passage in the form of House Bill No. 24-13, House Draft 1 on First and Final Reading.

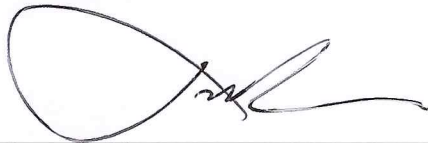
Respectfully submitted,



Rep. Thomas John “TJ” DLC. Manglona
Chairman



Rep. Julie M. A. Ogo
Vice Chairwoman



Rep. Roy A. Ada, Member


Rep. Daniel I. Aquino Jr., Member




Rep. Blas Jonathan “BJ” T. Attao, Member



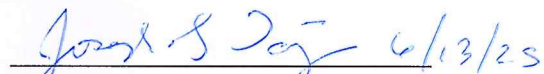
Rep. Angelo A. Camacho, Member


Rep. Malcolm J. Omar, Member


Rep. Raymond U. Palacios, Member


Rep. Patrick H. San Nicolas, Member

Reviewed by:

 6/13/25
House Legal Counsel

Attachment: Joe C. Guerrero, President, SCC, April 11, 2025



Board of Directors

April 11, 2025

President

Joe C. Guerrero

Thomas Manglona
Representative
24th Commonwealth Legislature
PO Box 500586
Saipan MP 96950

Vice President

Joshua Wise

Treasurer

Janice Tenorio

Re: H.B. No. 24-13 - To amend the fee structure for the Office of the Registrar of Corporations under the Department of Commerce and to remove daily penalty fees.

Secretary

Ron Smith

Hâfa adai yan tirow Representative Manglona,

Directors

Alex A. Sablan
John Arroyo
Velma Palacios
Brad Ruzsala
Nicole Babauta

I hope this letter finds you well. On behalf of the Saipan Chamber of Commerce (SCC), I am writing to share our support to H.B. No. 24-13 which seeks to amend the fee structure for the Office of the Registrar of Corporations under the Department of Commerce and to remove daily penalty fees.

Executive Director

Kimberly Camacho

We commend the Department of Commerce for its proactive efforts to streamline operations and embrace technological advancements. The proposed amendments will modernize the fee structure while eliminating burdensome daily penalty fees, fostering a more business-friendly environment.

Marianas Business Plaza
2nd Floor, Suite 201-A Nauru
Loop, Susupe
PO Box 500806
Saipan, MP 96950

We especially acknowledge the department's commitment to launching an online platform for document submission and processing, which will greatly improve efficiency and accessibility. To ensure the success of these initiatives, it is crucial to provide the necessary resources to support the department's operations and technological upgrades.

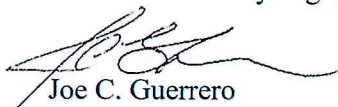
Tel 1(670)234-7150

www.saipanchamber.com

However, we seek clarification regarding the sunset provision in Section 2, subsection (c). We would like to confirm whether the provision applies solely to the 25% fee reduction authorized by Public Law 21-37 or if the removal of daily penalty fees will also be reversed upon the implementation of the online platform. Understanding the scope of the sunset provision is crucial for businesses to plan accordingly. We urge the Legislature to provide clear guidance on this matter to ensure transparency and avoid future confusion.

We appreciate the opportunity to provide input on this matter and would welcome the chance to further discuss our concerns. We look forward to collaborating with you on this and other legislative efforts aimed at improving our community.

Si Yu'us ma'âsi' yan ghilisow,


Joe C. Guerrero
President

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 2025

First Regular Session, 2025

H. B. 24-13, HD1

A BILL FOR AN ACT

To amend the fee structure for the Office of the Registrar of Corporations under the Department of Commerce and to remove daily penalty fees.

**BE IT ENACTED BY THE 24TH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

1 **Section 1. Findings and Purpose:** The Legislature finds the Public Law
2 No. 21-37 was enacted on January 7, 2021. The law aimed to establish an elevated
3 fee structure for the Department of Commerce, Office of the Registrar of
4 Corporations, and to designate a specific percentage of these fees to the department
5 to secure necessary funding for technological upgrades and maintenance, thereby
6 enhancing their operational efficiency. The law mandates that the Secretary of
7 Finance establish a separate account, designated as the Commerce Registrar of
8 Corporation Account, into which 75% of the fees collected under 4 CMC § 4205
9 shall be deposited without fiscal year limitations, with the Secretary of Commerce
10 serving as the expenditure authority. In an additional effort to ensure compliance
11 and hold the department accountable for its actions, a sunset provision was
12 incorporated. It read, “If the CNMI Department of Commerce is unable to procure

1 and implement an online platform for the submission and processing of documents
2 by December 21, 2022, all new and increased fees established by this act shall be
3 reduced by 25%”.

4 The Legislature recognizes that the Department of Commerce requires
5 additional resources to support its operations; thus, the purpose of this Act is to
6 ~~delete the sunset include~~ a provision that will reinstate the higher fee structure ~~prior;~~
7 ~~authorize the Secretary of Commerce to adjust fees; and eliminate daily penalty~~
8 ~~fees. The authority to adjust fees reside exclusively with the Secretary of~~
9 ~~Commerce; however, any increase must not exceed 25 percent.”to its 25%~~
10 ~~reduction as soon as the Department of Commerce procures and implements an~~
11 ~~online platform for document submission and processing, as well as to eliminate all~~
12 ~~daily penalty fees.~~

13 **Section 2. Amendment:** Title 4, Division 4, Section 4205 of the
14 Commonwealth Code shall be amended to read as follows:

15 “§ 4205. Filing, Service, and Copying Fees.

16 (a) The following fees are imposed and, shall be paid to the
17 Department of Finance and proof of payment delivered to the Registrar of
18 Corporations when the documents described in this subsection are delivered
19 for filing:

20 (1) ~~\$150~~ \$112.50 Articles of Organization (LLC);

21 (2) ~~\$150~~ \$112.50 Articles of Incorporation;

- 1 (3) ~~\$250~~ \$187.50 Application for Reinstatement following
2 Administrative Dissolution;
- 3 (4) ~~\$250~~ \$187.50 Application for Certificate of Authority for
4 Foreign Corporation;
- 5 (5) ~~\$50~~ \$37.50 Application for Amended Certificate of Authority
6 for Foreign Corporation;
- 7 (6) ~~\$30~~ \$22.50 Non-Profit Corporation (Petition, Charter &
8 Bylaws);
- 9 (7) ~~\$100~~ \$75 Registration of Partnership;
- 10 (8) ~~\$100~~ \$75 Amended Articles of Organization;
- 11 (9) ~~\$100~~ \$75 Amended Articles of Incorporation;
- 12 (10) ~~\$100~~ \$75 Restated Articles of Incorporation;
- 13 (11) ~~\$50~~ \$37.50 Articles of Dissolution/Termination;
- 14 (12) ~~\$100~~ \$75 Articles of Merger or Share Exchange;
- 15 (13) ~~\$50~~ \$37.50 Articles of Revocation of Dissolution;
- 16 (14) ~~\$100~~ \$75 Annual & Initial Corporation Report for: Domestic,
17 Foreign & Partnership, LLC.;
- 18 (15) ~~\$50~~ \$37.50 Application for Certificate of Withdrawal;
- 19 (16) ~~\$25~~ \$18.75 Articles of Correction;
- 20 (17) ~~\$200~~ \$150 Service of Process served on the Registrar of
21 Corporations;

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- 1 (18) ~~\$50~~ \$37.50 Any other document required or permitted to be
2 filed, such as bylaws affidavit, minutes, resolution, Amendment annual
3 report & amendment, by-law, operating agreement, stocks, resignation as
4 officer or director;
- 5 (19) ~~\$10~~ \$7.50 Non-Profit Corporation Report, Initial;
- 6 (20) ~~\$50~~ \$37.50 Application for Certificate of Existence or Authorization
7 or Good Standing;
- 8 (21) ~~\$50~~ \$37.50 Registered Agent Form;
- 9 (22) ~~\$10~~ \$7.50 Agent's statement of: change of registered office or
10 resignation;
- 11 (23) ~~\$50~~ \$37.50 Application for Reservation of Name, Notice of
12 Transfer of Reserved Name;
- 13 (24) ~~\$50~~ \$37.50 Application for Registered Name, Application for
14 Renewal of Registered Name;
- 15 (25) ~~\$25~~ \$18.75 Corporation's statement of change of registered
16 agent or
17 registered office or both;
- 18 (26) ~~\$20~~ \$15 For Certificate or Certification of Document; ~~\$1.00~~
19 \$0.75 for additional page for copying (Acct. No. 1300-62300);
- 20 (27) ~~\$100~~ \$75 Annual Subscription for the Commonwealth
21 Register; and (Acct. No. 7745-45570);

HOUSE BILL 24-13, HD1

1 (28) ~~\$30~~ \$22.50 Postage fee for the Commonwealth Register (Acct.
2 No. 1170- 62250);

3 (29) ~~\$5~~ \$3.75 Per document, i.e., Articles of Inc., Bylaws, Annual
4 Reports (uncertified copies), ~~\$1.00~~ \$0.75 per copy of each additional
5 attachments;

6 (30) ~~\$150~~ \$112.50 Expedited Service fee, business organization
7 document filing (fulfilled within 1 business day);

8 (31) ~~\$150~~ \$112.50 Expedited Service fee, certified research request,
9 i.e., certification requests of documents (fulfilled within 1 business day);

10 (32) ~~\$150~~ \$112.50 Penalty for documents received after March 1st,
11 i.e., Initial Reports, Annual Reports; and

12 (33) ~~\$10 Per day for Annual Reports received after March 2nd (in~~
13 ~~addition to \$150 Penalty for late filing);~~

14 (34) ~~\$25~~ \$18.75 Penalty for late filing on Non-Profit Corporation
15 Report, Annual & Minutes; and

16 (35) ~~\$5 Per day for Non-Profit Annual Reports received after March~~
17 ~~2nd (In addition to \$25 Penalty for late filing).~~

18 (b) The Secretary of Finance shall establish a separate account,
19 Commerce Registrar of Corporation Account, and shall deposit 75% of the
20 fees collected pursuant to 4 CMC § 4205 without fiscal year limitation. The
21 Secretary of Commerce shall be the expenditure authority.

1 ~~(e) Sunset Provision. All reduced fees will revert to the level they~~
2 ~~were before the 25% reduction authorized by Public Law 21-37, thirty (30)~~
3 ~~days after the CNMI Department of Commerce procures and implements a~~
4 ~~permanent online platform for the submission and processing of documents.~~

5 (c) The authority to adjust fees resides exclusively with the
6 Secretary of Commerce; however, any adjustment shall not exceed 25
7 percent.”

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

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

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

HOUSE BILL 24-13, HD1

Prefiled: 3/7/2025

Date: 3/7/2025

Introduced by: /s/ Rep. Thomas J. DLC. Manglona
/s/ Rep. Julie M.A. Ogo

Reviewed for introduction purposes only by:

/s/ Joseph L.G. Taijeron, Jr.
House Legal Counsel

Date: 3/6/2025

House Bill No. 24-13, HD1: Reviewed for legal sufficiency by:

Joseph S. Day
House Legal Counsel

Date: 5/8/25

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