



The Senate
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500129
SAIPAN, MP 96950

STANDING COMMITTEE REPORT NO. 24-92

Date: June 2, 2026

RE: Senate Bill No. 24-57

Honorable Karl R. King-Nabors
President of the Senate
Twenty-Fourth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Mr. President:

Your Committee on Resources, Economic Development, and Workforce to which Senate Bill No. 24-57 was referred, entitled:

“To amend 4 CMC § 5611 to modernize and clarify the general business licensing framework to promote economic efficiency, business growth, and administrative consistency,”

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion and deliberation, your Committee recommends the passage of the proposed legislation in the form of Senate Bill No. 24-57, Senate Draft 1.

II. ANALYSIS:

A. Purpose:

The purpose of Senate Bill No. 24-57 is to modernize and clarify the framework of business licenses in the Commonwealth to promote economic efficiency, business growth, and administrative consistency by amending 4 CMC § 5611.

B. Committee Findings:

Your Committee finds that Public Law 18-70 required businesses operating within the Commonwealth to obtain a separate business license for each location in which they conduct the same line of business. This requirement was enacted to enhance revenue collection and address concerns about multiple establishments operating under a single business license. However, since its enactment, numerous concerns have been raised by members of the business community, particularly mobile vendors, who are unable to conduct their business throughout the Commonwealth without obtaining multiple licenses for the same line of business.

As part of the ongoing effort to foster a more business-friendly environment in the Commonwealth, Senate Bill No. 24-57 seeks to restore the previous framework by requiring only one business license per line of business, valid throughout the Commonwealth. This approach alleviates the administrative burden on businesses of obtaining, maintaining, and tracking multiple licenses for the same business activity, allowing businesses to focus more effectively on their operations. While concerns were raised regarding the potential for abuse under the prior system, violations of this proposed framework would remain subject to the penalties set forth in 4 CMC § 5613.

Your Committee met on June 2, 2026, to deliberate on the proposed legislation and review comments received by the Committee. Invited to participate in the Committee Meeting were CEDA Executive Director Derek Sasamoto, Department of Commerce Registrar of Corporations John David Reyes, and Department of Finance Director of Revenue and Taxation Daniel Alvarez. During deliberations, the Committee determined that several amendments were necessary to (1) remove references to a “general” business license, as business licenses are issued by line of business rather than as a general license; (2) eliminate the temporary license requirement for businesses participating in community events to further support small businesses and community-based economic activity; and (3) amend subsection (i), which has become obsolete due to the transfer of administrative authority from the Department of Commerce to the Division of Revenue and Taxation of the Department of Finance following the enactment of Public Law 11-73, while ensuring that fees collected under this provision are allocated to support the operations and enforcement of the Business License Office.

It is for these reasons that your Committee supports the intent of the proposed legislation, as amended, and recommends its passage in the form of Senate Bill No. 24-57, Senate Draft 1.

C. Legislative History:

Senate Bill No. 24-57 was formally introduced by Senator Manny Gregory T. Castro on January 23, 2026, and was subsequently referred to the Senate Standing Committee on Resources, Economic Development, and Workforce for disposition.

D. Public Hearing and Comment:

1. Public Hearing. No public hearing was scheduled for Senate Bill No. 24-57. However, a committee meeting open to the public was held on June 2, 2026. See below for further details.
2. Committee Meeting. The proposed legislation first appeared at the scheduled committee meeting on Tuesday, June 2, 2026. The committee meeting notices and agenda were officially posted on May 26, 2026, on various legislative forums and social media sites to invite members of the general public to provide comments as indicated under *Item No. IV. Public Comment* on the Committee Agenda.
 - a. Testimonies in support of the proposed legislation were provided by the following:
 - i. John David Reyes, Registrar of Corporations, Department of Commerce- *on behalf of Secretary Remedio C. Mafnas*
 - ii. Daniel Alvarez, Director, Division of Revenue and Taxation, Department of Finance
 - b. No oral testimony in opposition to the proposed legislation was received.
3. Written Comment. Your Committee sent out several requests for comments on the proposed legislation. To date, the status of comments received from the following government and private entities is as follows:
 - a. *Office of the Attorney General, no comment received*
 - b. Derek T. Sasamoto, Executive Director, Commonwealth Economic Development Authority, letter dated March 6, 2026
 - c. Remedio C. Mafnas, Secretary, Department of Commerce, letter dated June 2, 2026

E. Estimated Fiscal Cost:

No fiscal analysis was prepared for the proposed legislation.

During deliberation, Division of Revenue and Taxation Director Alvarez disclosed an uncertified collection of approximately \$900,000 from the current mandate to obtain a business license for each location. Absent any financial analysis, it is safe to assume that the enactment of the proposed legislation would result in a reduction in business license fee revenue collections. It was further clarified that all revenue generated from business licenses is deposited into the general fund.

Unfortunately, your Committee is unable to accurately quantify the fiscal impact due to the absence of pertinent data identifying the number of businesses currently holding multiple licenses for the same line of business and the associated revenues generated from those licenses.

While your Committee recognizes the potential decrease under the proposed business license framework, the proposed legislation would also reduce administrative burdens on both businesses and the government and improve operational efficiency. Additionally, your Committee took the initiative to allocate the revenues generated to a revolving fund to support the operations and enforcement of the Business License Office.

F. Summary of Committee Amendments:

For reference purposes, single underlines and ~~single strikethroughs~~ are original amendments proposed by the author; double underlines and ~~double strikethroughs~~ are amendments adopted by the Committee. Therefore, your Committee agreed to the following amendments:

1. Title. Deleted reference to the word “general”, to read:

“To amend 4 CMC § 5611 to modernize and clarify the ~~general~~ business licensing framework to promote economic efficiency, business growth, and administrative consistency.”

2. Section 1. Findings and Purpose. Deleted all references to the word “general”, beginning on page 1, lines 1-21, to read:

“Section 1. Findings and Purpose. The Legislature finds that under existing law, a person must obtain a ~~general~~ business license before engaging in business in the Commonwealth pursuant to 4 CMC § 5611. Although existing law contains language intended to prevent duplicative licenses, ambiguity remains regarding licensing requirements for businesses operating multiple locations under the same line of business. Requiring multiple licenses for the same line of business creates unnecessary administrative and financial burdens on businesses and government agencies. The intent of this Act is also to clarify that one ~~general~~ business license per line of business is valid Commonwealth-wide, which will streamline regulatory compliance while preserving location-specific oversight through disclosure and permitting requirements.

The Legislature finds that this Act is expected to have minimal to no negative fiscal impact on the General Fund, as it clarifies existing law and does not reduce the fee required for a ~~general~~ business license per line of business. This Act is expected to result in administrative cost savings for the Commonwealth by reducing duplicative license processing, renewals,

and enforcement activities by the Department of Finance and related agencies. By reducing regulatory burdens on businesses operating multiple locations, this Act may promote business expansion, improved compliance, and long-term economic activity, which may positively affect tax revenues.

Therefore, the purpose of this Act is to modernize and clarify the ~~general~~ business licensing framework to promote economic efficiency, business growth, and administrative consistency.”

3. Section 2. Amendment. Subsection (b). Deleted all references to the word “general”, beginning on page 2, lines 6-20, to read:

“(b) Commonwealth-Wide License Per Line of Business.

(1) A ~~general~~ business shall be required to purchase one general business license for each line of business for each location in issued for each distinct line of business conducted by the applicant within the Commonwealth.

(2) A ~~general~~ business license issued under this section shall authorize the licensee to conduct the licensed line of business throughout the Commonwealth of the Northern Mariana Islands (Commonwealth), regardless of the number of physical locations operated.

(3) No additional business license shall be required solely because a business entity operates the same line of business at more than one location within the Commonwealth. Provided that the same line of business must be under the same name of the business entity.

(4) The Secretary may require disclosure of all business locations for regulatory and record-keeping purposes; provided, however, that such disclosure shall not require the issuance of additional ~~general~~ business licenses.”

4. Section 2. Amendment. Subsection (c). Deleted reference to the word “general” and existing statutory language regarding temporary licenses, beginning on page 2, line 21-25, to read:

“(c) Terms and Transferability. Licenses issued under this section are A ~~general~~ business license, which shall be valid for one year and are shall not be transferable.

(1) Temporary licenses may be issued for public and community events for not more than thirty consecutive days. Temporary licenses shall not be transferred nor renewed.”

5. Section 2. Amendment. Subsection (d). Deleted reference to temporary license, beginning on page 2, lines 26-27, to read:

“(d) Fees. Annual and Temporary license fees and late fees shall be established by regulation promulgated by the Secretary of Finance.”

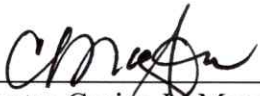
6. Section 2. Amendment. Subsection (i). Subsection amended to reflect the current administration of the business license under the Division of Revenue and Taxation of the Department of Finance, beginning on page 3, line 25 through page 4, line 3, to read:

“(i) There is hereby established a revolving account for the ~~Department of Commerce for which the Secretary of Commerce~~ Business License Office and the Director of the Division of Revenue and Taxation shall ~~have~~ be the expenditure authority. The revolving account shall be established by the Department of Finance, ~~and the account shall serve strictly to pay for the Department of Commerce's annual membership dues to the National Association of Insurance Commissioners.~~ Fees collected under subsection (d)(4)-above shall be deposited into the revolving account ~~to accumulate enough funds to cover for the annual membership dues. Any funding lapses from this account shall be transferred to the CNMI general fund.~~”

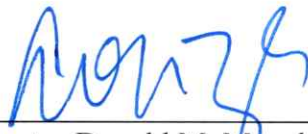
III. CONCLUSION:

Your Committee agrees with the intent and purpose of the proposed legislation and recommends its passage in the form of Senate Bill No. 24-57, Senate Draft 1.

Respectfully submitted,



Senator Corina L. Magofna
Chairperson



Senator Donald M. Manglona
Vice Chairperson



Senator Ronnie M. Calvo
Member

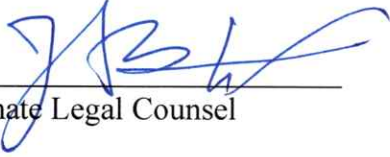
Senator Manny Gregory T. Castro
Member



Senator Francisco Q. Cruz
Member

Senator Paul A. Manglona
Member

Reviewed by:


Senate Legal Counsel

Attachments:

B. Written Testimonies

1. Derek T. Sasamoto, Executive Director, Commonwealth Economic Development Authority, letter dated March 6, 2026
2. Remedio C. Mafnas, Secretary, Department of Commerce, letter dated June 2, 2026



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March 6, 2026

The Honorable Corina L. Magofna
Chairwoman, Committee on Resources, Economic
Development and Workforce
The Senate
24th Northern Marianas Commonwealth Legislature
Commonwealth of the Northern Mariana Islands
Capitol Hill
Saipan, MP 96950

Subject: Comments on Senate Bill No. 24-57

Dear Chairwoman Magofna:

Senate Bill No. 24-57 proposes implementing one general business license for the same line of business for multiple locations within The Marianas. The Commonwealth Economic Development Authority (CEDA) supports the intent of this bill, and we commend the Senate for contemplating ways to improve the ease of doing business in The Marianas.

Having one general business license for the same line of business within The Marianas despite location, will reduce the administrative burden on agencies responsible for this review. This will create efficiency and lower costs for businesses in The Marianas as they will realize savings in time. This will also create efficiency for licensees as they will no longer need to submit multiple applications and follow through on multiple licenses. This supports a business-friendly environment and is in line with The Marianas's efforts for economic recovery.

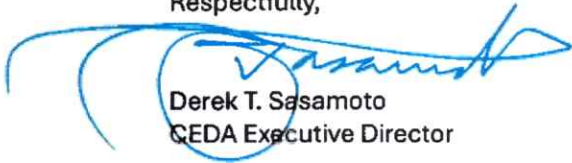
The bill also preserves the revenues earned per line of business as it will require disclosure of all such lines of business on the one general business license and fees shall be assessed accordingly. All locations for the identified lines of business should be disclosed as well for audit and compliance purposes.

The only caution is to ensure that having one general license for the same line of business does not jeopardize any internal controls that the agencies responsible for business license oversight may have. These risks, if any, regarding one license despite multiple locations should be weighed against the benefits of this bill. We assume such analysis has been performed.

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Again, we thank the Senate for its foresight regarding the ease of doing business in The Marianas. We hope to continue seeing bills that support economic development, and, thank the Senate for providing CEDA the opportunity to submit comments and feedback on such bills.

Respectfully,



Derek T. Sasamoto
CEDA Executive Director

xc: Senate President
Members, Senate Committee on Resources,
Economic Development & Workforce
CEDA Board of Directors
CEDA Executive Director
CEDA Executive Assistant



David M. Apatang, Governor
Dennis James C. Mendiola, Lt. Governor

Department of Commerce

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Remedio C. Mafnas, Secretary /
Commissioner

June 2, 2026

Corina L. Magofna
Chairwoman,
Standing Committee on Resources, Economic Development
24th Northern Marianas Commonwealth Legislature
Capitol Hill, Saipan, MP 96950

Subject: Comments on Senate Bill No. 24-57: To modernize and clarify the general business license framework to promote economic efficiency, business growth, and administrative consistency.

Dear Chairwoman Magofna,

After reviewing Senate Bill No. 24-57, which proposes amendments to 4 CMC § 5611 regarding general business licensing requirement within the Commonwealth, the Department supports the intent of the bill. The Department of Commerce supports the objective of reducing unnecessary regulatory burdens and promoting a more efficient business environment as this is consistent with the Department's mission.

However, the Department recommends that the Legislature adopt amendments to the bill before enactment. Location-specific oversight remains essential as businesses operating multiple locations require separate reviews related to zoning, building safety, fire safety, and environmental health. Therefore, the Department recommends strengthening subsection (b)(4) to expressly require disclosure and registration of each business location and authorize agencies to maintain location-specific records and permits otherwise required by law.

Additionally, the Department recommends clarifying language in subsection (b)(3) regarding businesses operating under the "same name of the business entity," as many businesses operate under DBAs. This may cause misinterpretation as to whether the provision applies to the legal entity name, DBA, or both.

We appreciate the opportunity to provide these comments and thank you for your leadership and dedication to advancing the Commonwealth's economic development.

Sincerely,

Remedio C. Mafnas
Secretary of Commerce
Department of Commerce

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

THIRD REGULAR SESSION, 2026

S.B. No. 24-57, SD1

A BILL FOR AN ACT

To amend 4 CMC § 5611 to modernize and clarify the ~~general~~ business licensing framework to promote economic efficiency, business growth, and administrative consistency.

BE IT ENACTED BY THE TWENTY-FOURTH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:

1 **Section 1. Findings and Purpose.** The Legislature finds that under existing law, a
2 person must obtain a ~~general~~ business license before engaging in business in the
3 Commonwealth pursuant to 4 CMC § 5611. Although existing law contains language
4 intended to prevent duplicative licenses, ambiguity remains regarding licensing
5 requirements for businesses operating multiple locations under the same line of business.
6 Requiring multiple licenses for the same line of business creates unnecessary
7 administrative and financial burdens on businesses and government agencies. The intent of
8 this Act is also to clarify that one ~~general~~ business license per line of business is valid
9 Commonwealth-wide, which will streamline regulatory compliance while preserving
10 location-specific oversight through disclosure and permitting requirements.

11 The Legislature finds that this Act is expected to have minimal to no negative fiscal
12 impact on the General Fund, as it clarifies existing law and does not reduce the fee required
13 for a ~~general~~ business license per line of business. This Act is expected to result
14 in administrative cost savings for the Commonwealth by reducing duplicative license
15 processing, renewals, and enforcement activities by the Department of Finance and related
16 agencies. By reducing regulatory burdens on businesses operating multiple locations, this
17 Act may promote business expansion, improved compliance, and long-term economic
18 activity, which may positively affect tax revenues.

19 Therefore, the purpose of this Act is to modernize and clarify the ~~general~~ business
20 licensing framework to promote economic efficiency, business growth, and administrative
21 consistency.

1 **Section 2. Amendment.** 4 CMC § 5611 is hereby amended to read as follows:

2 “§ 5611. Business License Fees Required; Commonwealth-Wide License; Fees.

3 (a) Business License Required. Before engaging in or continuing in a business, a
4 person shall first obtain from the Secretary of the Department of Finance, or successor
5 agency, a license to engage in or conduct that business.

6 (b) Commonwealth-Wide License Per Line of Business.

7 (1) ~~A general business shall be required to purchase one general business~~
8 ~~license for each line of business for each location in~~ issued for each distinct line of
9 business conducted by the applicant within the Commonwealth.

10 (2) ~~A general business license issued under this section shall authorize the~~
11 licensee to conduct the licensed line of business throughout the Commonwealth of
12 the Northern Mariana Islands (Commonwealth), regardless of the number of
13 physical locations operated.

14 (3) No additional business license shall be required solely because a
15 business entity operates the same line of business at more than one location within
16 the Commonwealth. Provided that the same line of business must be under the same
17 name of the business entity.

18 (4) The Secretary may require disclosure of all business locations for
19 regulatory and record-keeping purposes; provided, however, that such disclosure
20 shall not require the issuance of additional general business licenses.

21 (c) Terms and Transferability. ~~Licenses issued under this section are~~ A general
22 business license, which shall be valid for one year and are ~~shall not be~~ transferable.

23 ~~(1) Temporary licenses may be issued for public and community events for~~
24 ~~not more than thirty consecutive days. Temporary licenses shall not be transferred~~
25 ~~nor renewed.~~

26 (d) ~~Fees. Annual and Temporary~~ license fees and late fees shall be established by
27 regulation promulgated by the Secretary of Finance.

28 (e) Renewal. A licensee may renew a license upon its expiration by the payment of
29 the annual license fee.

(f) All businesses licensed under this section shall only do business under the name duly licensed and shall advertise this name in Romanized lettering in addition to any other lettering.

(g) Conditions for Revocation or Suspension.

(1) The Secretary of the Department of Finance may revoke or suspend any license issued under this section upon finding, after two weeks' public notice and a hearing conducted pursuant to 1 CMC §§ 9108-9111, that:

(i) The application of the licensee contained false or fraudulent information;

(ii) The licensee bribed or otherwise unlawfully influenced any person to issue the permit other than on the merits of the application;

(iii) The licensee presented false or fraudulent information to any person in support of his application;

(iv) The licensee violated subsection (f) of this section; or

(v) The licensee violated any provision of Commonwealth law, including but not limited to non-compliance with the tax laws, or any rule or regulation issued thereunder.

(2) Any person aggrieved by a license suspension or revocation shall be entitled to a review of the same by the Commonwealth Superior Court upon written appeal made within 30 days from the date the license suspension or revocation decision is issued. Such review shall be brought pursuant to 1 CMC §§ 9112 and 9113.

(h) Unless the Secretary of Finance provides otherwise, this section shall not effect affect public health or alcoholic beverage control licensing.

(i) There is hereby established a revolving account for the ~~Department of Commerce for which the Secretary of Commerce~~ Business License Office and the Director of the Division of Revenue and Taxation shall ~~have~~ be the expenditure authority. The revolving account shall be established by the Department of Finance, ~~and the account shall serve strictly to pay for the Department of Commerce's annual membership dues to the National Association of Insurance Commissioners.~~ Fees collected under subsection (d)(4)

1 above shall be deposited into the revolving account ~~to accumulate enough funds to cover~~
2 ~~for the annual membership dues. Any funding lapses from this account shall be transferred~~
3 ~~to the CNMI general fund.~~

4 (j) Conforming Amendments. All provisions of the Commonwealth Code,
5 administrative regulations, and official forms inconsistent with this Act are hereby
6 amended to conform with the provisions of this Act.”

7 **Section 3. Severability.** If any provision of this Act or the application of any such
8 provision to any person or circumstance should be held invalid by a court of competent
9 jurisdiction, the remainder of this Act or the application of its provisions to persons or
10 circumstances other than those to which it is held invalid shall not be affected thereby.

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

18 **Section 5. Effective Date.** This Act shall take effect upon its approval by the
19 Governor or becoming law without such approval.

Date: 01/23/26

Introduced By: /s/
Senator Manny Gregory T. Castro

Reviewed for Legal Sufficiency by:

/s/ Jose A. Bermudes
Senate Legal Counsel