HOUSE OF REPRESENTATIVES

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

Honorable Jesus P. Mafnas Memorial Building
Capitol Hill
Saipan, MP 96950
cnmileg.net

May 28, 2026

HOUSE FILE

The Honorable Karl R. King-Nabors
President
The Senate
Twenty-Fourth Northern Marianas
Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Dear Senate President King-Nabors:

I have the honor of returning *with* amendments, **S. B. No. 24-21,** entitled, "**To amend 9 CMC §2103 to require execution of a notice of transfer and release of liability by the appropriate parties upon the ownership transfer of a vehicle.**", which was passed by the House of Representatives on First and Final Reading, by the majority vote of the members present, a quorum being present, during its First Day, Second Special Session on May 22, 2026, in the form **S. B. No. 24-21, HD1**.

Sincerely yours,

Linda B. Muña, MPA
House Clerk

Attachment

TRANSMITTAL TO THE SENATE

Received by: _____ **Date:** 5/28/26 **Time:** 2:15 pm.

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

FIRST REGULAR SESSION, 2025 **S. B. No. 24-21, HD1**

A BILL FOR AN ACT

TO AMEND 9 CMC § 2103 TO REQUIRE EXECUTION OF A NOTICE OF TRANSFER AND RELEASE OF LIABILITY BY THE APPROPRIATE PARTIES UPON THE OWNERSHIP TRANSFER OF A VEHICLE.

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

Section 1. Findings and Purpose.

The Legislature acknowledges that 9 CMC § 1205 provides that the Director of the Bureau of Motor Vehicles (BMV) shall develop and provide suitable forms of applications, certificates of title, registration cards, operators' licenses, and all other required and necessary forms. The Legislature finds that in most States it is necessary to execute a Notice of Transfer and Release of Liability between the parties that lets the Department of Motor Vehicle know that the former motor vehicle owner is no longer responsible for parking/traffic violations or civil or criminal liability associated with the motor vehicle after the date of the sale.

The Legislature finds that releasing the liability of the former owner of a motor vehicle upon the sale of the motor vehicle is necessary. Therefore, the purpose of this Act is to require the execution of a Notice and Release of Liability upon the transfer of a motor vehicle.

Section 2. Amendment. 9 CMC § 2103 is amended to read:

"§ 2103. Registration: Transfer of Motor Vehicle.

(a) An owner upon transferring a registered motor vehicle ~~or bicycle~~ shall endorse the name and address of the transferee and the date of transfer upon the reverse side of the registration card issued for the motor vehicle ~~or bicycle~~ and immediately forward the card to the bureau. ~~The transferee, before operating or permitting the operation of the vehicle or bicycle upon a highway, shall apply and obtain the registration thereof as upon~~

~~an original registration. In the event of a transfer by inheritance, devise, bequest, execution, sale or repossession upon default of performance of an agreement of sale of a registered vehicle or bicycle, the registration shall expire and the vehicle or bicycle may not be operated upon the highways until and unless the person entitled to it applies for and obtains the registration thereof.~~ At the same time, the owner (transferor) and the new owner (transferee) shall sign a Notice of Transfer and Release of Liability (NTRL). The Director shall develop the NTRL and make it readily available. Upon execution and filing of the NTRL with the Bureau of Motor Vehicles, the transferor shall not be liable for any parking citation, traffic infraction, or administrative penalty arising under this title that occurs after the date and time of transfer stated on the NTRL.

(b) An owner upon transferring a registered motor vehicle, shall state on the form provided by the bureau:

"I certify that I am the legal owner entitled to transfer ownership of this vehicle and that its odometer reading is _____ miles and, to the best of my knowledge, reflects the actual mileage of the vehicle described herein, unless one of the following statements is checked.

(1) The amount of mileage stated is in excess of 99,999 miles.

(2) The mileage stated is not the actual mileage.

(3) The motor vehicle is a truck with a gross vehicle weight rating of 16,000 pounds or more."

(c) The transferee, before operating or permitting the operation of the motor vehicle ~~or bicycle~~ upon a highway, shall apply and obtain the registration thereof as upon an original registration. In the event of a transfer by inheritance, devise, bequest, execution, sale or repossession upon default of performance of an agreement of sale of a registered motor vehicle ~~or bicycle~~, the registration shall expire and the motor vehicle ~~or bicycle~~ may not be operated upon the highways until and unless the person entitled to it applies for and obtains the registration thereof.

(~~c~~ d) Notwithstanding any provision of the Uniform Commercial Code (title 5 of this code [5 CMC § 1101 et seq.]), until the chief has issued the new registration card,

delivery of the vehicle shall be deemed not to have been made, title to it shall be deemed not to have passed, and the intended transfer shall be deemed not to be valid or effective for any purpose.

(~~d~~ e) A security interest in a motor vehicle required to be registered under this title may be perfected only by registration of the security interest by notation upon the certificate of title of the motor vehicle. The validity, attachment, priority, and enforcement of the perfected security interest shall be governed by article 9 of title 5 of this code (the Uniform Commercial Code) [5 CMC § 9101 et seq.]."

Section 3. 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 4. 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 the Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence on the date this Act becomes effective.

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

Date: 02/11/25

Introduced By: /s/
Senator Francisco Q. Cruz

Reviewed for Legal Sufficiency by:

/s/ Jose A. Bermudes
Senate Legal Counsel

S.B. No. 24-21, HD1, Reviewed for Legal Sufficiency by:

/s/ Karie Comstock
House Legal Counsel

Date: 4/2/2026

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
HOUSE OF REPRESENTATIVES
COMMITTEE ON JUDICIARY AND GOVERNMENTAL OPERATIONS
P.O. BOX 500586 SAIPAN, MP 96950

JOEL C. CAMACHO
CHAIRMAN

Adopted - 4/22/2026 JV
STANDING COMMITTEE REPORT NO. 24-52
DATE: April 2, 2026
RE: Senate Bill No. 24-21

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 Judiciary and Governmental Operations to which was referred:

Senate Bill No. 24-21: To amend 9 CMC § 2103 to require execution of a Notice of Transfer and Release of Liability by the appropriate parties upon the ownership transfer of a vehicle.

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion and deliberation, your Committee recommends that Senate Bill No. 24-21 be passed by the House in the form of House Draft 1 (HD1).

II. ANALYSIS:

A. Purpose:

The purpose of Senate Bill 24-21 is to amend 9 CMC § 2103 to require that, upon transfer of vehicle ownership, the appropriate parties execute a Notice of Transfer and Release of Liability,

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thereby establishing a clear, formal process to document the change in ownership, allocate responsibility for the vehicle, and enhance legal and administrative clarity for both registrants and motor vehicle authorities.

B. Committee Findings:

Your Committee finds that 9 CMC § 1205 authorizes the Director of the Bureau of Motor Vehicles (BMV) to develop and provide all necessary forms, including applications, certificates of title, registration cards, operators' licenses, and other required documents, and that the Director is therefore empowered to design and distribute a standardized Notice of Transfer and Release of Liability (NTRL) to support accurate recordkeeping and administrative efficiency.

Your Committee finds that in most jurisdictions a completed Notice of Transfer and Release of Liability is required to notify the motor vehicle agency that the former owner has relinquished ownership and related responsibilities; adopting a similar requirement here will provide clear, timely evidence of transfer, protect former owners from continued exposure to parking citations, traffic infractions, and related civil or criminal liability after the date and time of sale, and reduce disputes and administrative burdens for both the BMV and vehicle owners.

Your Committee finds that, to achieve these goals, this Act amends 9 CMC § 2103 to require that the transferor and transferee, at the time of sale or transfer, sign and promptly file an NTRL with the BMV; that the Director shall develop and make the NTRL readily available; and that upon execution and filing of the NTRL the transferor shall no longer be liable for parking citations, traffic infractions, or administrative penalties occurring after the date and time of transfer, while the transferee must apply for registration prior to operating the vehicle, thereby ensuring accurate title and registration records and protecting the legal rights of both buyers and sellers.

C. Committee Amendments:

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

1. Page 2, after line 9: To insert new language to read as follows:

   "Upon execution and filing of the NTRL with the Bureau, the transferor shall not be liable for any parking citation, traffic infraction, or administrative penalty arising under this title that occurs after the date and time of transfer stated on the NTRL."

2. In the following locations, the words "or bicycle" have been double-stricken:

   a. Page1, Line 16
   b. Page 1, Line 18
   c. Page 2, Line 27
   d. Page 2, Line 28

3. In the following locations, the word "motor" was added via double-underline before the word vehicle:

    a. Page 1, Line 7
    b. Page 1, Line 9
    c. Page 1, Line 10
    d. Page 1, Line 11
    e. Page 1, Line 13
    f. Page 1, Line 15
    g. Page 1, Line 16
    h. Page 1, Line 18
    i. Page 2, Line 21
    j. Page 2, Line 23
    k. Page 2, Line 27 in two locations

D. Public Comments:

Your Committee solicited written and oral testimony; however, no submissions were received either prior to or on the day of the Committee meeting held April 2, 2026.

E. Legislative History:

On February 11, 2025, Senator Francisco Q. Cruz introduced Senate Bill No. 24-21, which was referred to the Senate Committee on Judiciary, Government and Law and, following committee consideration, was passed by the Senate on its first and final reading on July 14, 2025. The bill was transmitted to the House and referred to the House Standing Committee on Judicial and Governmental Operations on July 31, 2025. Your Committee convened on April 2, 2026, and after thorough review, discussion, and deliberation, recommends that the House pass Senate Bill No. 24-21 in the form of House Draft 1.

F. Cost Benefit:

The enactment of Senate Bill No. 24-21, HD1, will result in minimal cost to the CNMI government and may yield modest net savings, because the BMV already has statutory authority under 9 CMC § 1205 to develop and provide forms so the Notice of Transfer and Release of Liability can be created and deployed with only one-time form development and routine administrative processing costs; additionally, clearer transfer documentation will reduce staff time spent resolving post-sale citation and liability disputes and lower enforcement and adjudication expenses, producing recurring operational efficiencies.

III. CONCLUSION:

Your Committee is in accord with the intent and purpose of Senate Bill No. 24-21 and recommends its passage in the form of HD1.

Respectfully submitted,

Rep. Joel C. Camacho
Chairman

Rep. Blas Jonathan "BJ" T. Attao
Vice Chairman

Rep. Vincent S. Aldan, Member

Rep. Daniel I. Aquino Jr., Member

Rep. Angelo A. Camacho, Member

Rep. Diego V.F. Camacho, Member

Rep. Marissa R. Flores, Member

Rep. Joseph A. Flores, Member

Rep. Julie A. Ogo, Member

Rep. John Paul P. Sablan, Member

Rep. Ralph N. Yumul, Member

Reviewed by:

House Legal Counsel

Date: 4-8-26

Attachments:

- Senate Bill No. 24-21, House Draft 1 (HD1)
- Committee Floor Amendment to Senate Bill No. 24-21, HD1, dated for legal sufficiency on April 2, 2026

COMMITTEE FLOOR AMENDMENT TO: SB No. 24-21

OFFERED BY: Rep. Joseph A. Flores _____

DATE: 4/2/26

To amend current text to reflect an amendment as follows:

1) Page 2, after line 9: To insert new language to read as follows:

Upon execution and filing of the NTRL with the Bureau, the transferor shall not be liable for any parking citation, traffic infraction, or administrative penalty arising under this title that occurs after the date and time of transfer stated on the NTRL.

2) In the following locations, the words "or bicycle" have been double-stricken:
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   h) Page 1, Line 18
   i) Page 2, Line 21
   j) Page 2, Line 23
   k) Page 2, Line 27 in two locations

Consistent with the intent of the foregoing amendments, I hereby also move to allow the Legal counsel together with the Legislative Asistant to make further non-

substantive technical amendments that are strictly necessary to effectuate the intent of this committee floor amendment.

The legal sufficiency signature of House Legal Counsel contained in the final, engrossed version of a bill shall reflect the signature of the counsel endorsing the last amendment, if any, addressed by the House.

Reviewed for Legal Sufficiency by:

Kari [illegible]

House Legal Counsel

Date: 4-2-26