



TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
HOUSE OF REPRESENTATIVES
COMMITTEE ON WAYS & MEANS
P.O. BOX 500586 SAIPAN, MP 96950

JOHN PAUL P. SABLAN
CHAIRMAN

Adopted - 7/31/2025
STANDING COMMITTEE REPORT NO. 24-16
DATE: July 21, 2025
RE: House Bill No. 24-27

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 Ways and Means to which was referred:

House Bill No. 24-27: “To establish an excise tax for betelnut/areca nut and lime mix/afok/or bweesch.”

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion, your committee recommends that House Bill No. 24-27 be passed by the House in the form of House Draft 1.

TO THE CLERK'S OFFICE
RECEIVED BY *SN*
DATE 7/25/2025 TIME 4:20 PM

II. ANALYSIS:

A. Purpose:

The purpose of this Act is to establish an excise tax specifically on betelnut/areca nut and lime mix/afok/or bweesch imported into the Commonwealth of the Northern Mariana Islands.

B. Committee Amendments:

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

1. Page 4, Line 21 and Page 5, Lines 1-3: The following paragraph was amended to read as follows:

“Therefore, the purpose of this Act is to establish an excise tax ~~for imported~~ specifically on betelnut/areca nut and lime mix/afok/or bweesch-imported into the Commonwealth of the Northern Mariana Islands.”

2. Page 5, Lines 16-17: Subsection (22) was amended to read as follows:

“(22) Betelnut/Areca Nut, ~~five~~ three dollars per pound or fractional equivalent thereof;”

C. Committee Findings:

Your Committee finds that House Bill 24-27, House Draft 1, amends 4 CMC §1402. Excise Tax, specifically subsection (a) by adding new subsections (22) and (23). The following will be imposed an excise tax as follows:

“(22) Betelnut/Areca Nut, three dollars per pound or fractional equivalent thereof;
(23) Lime Mix/Afok/Bweesch, ten cents per ounce or fractional equivalent thereof;”

The cost benefit analysis will compare current excise tax for betelnut at 5% ad valorem and the beauty tax at 0.42% ad valorem and how much the CNMI has collected compared to the proposed excise tax of \$3.00 per pound. The analysis will also reflect the proposed excise tax of 10 cents per ounce on lime.

Your Committee is cognizant that excise taxes generally result in higher prices for consumers, reducing demand for taxed products. The size of the reduction and whom prices most affect depend on consumers’ price elasticity of demand (the percentage change in the quantity demanded resulting from the proposed increase). Price elasticity is a function of whether consumers treat the good as a necessity or a luxury item, how much of a consumer's income is

spent on that good, and the availability of substitutes.

Your Committee finds that in 2024, oral cancer constituted 3% of all new cancer cases in the United States and accounted for 2% of total cancer-related deaths (National Cancer for Health Statistics, 2024). Local data indicates that oral cancer is the second most commonly diagnosed cancer in the CNMI, following breast cancer. The Cancer Registry data indicates an average of 20 diagnosed cases per year from 2018 to 2023, with a troubling average annual growth rate of 26.19%. Demographic data indicate that 68% of patients are Chamorro or Carolinian, increasing to 89% when other Micronesians are included (Pacific Regional Central Cancer Registry, 2025). Mortality statistics indicate a significant impact of oral cancer, comprising 20% of all cancer deaths in 2023 and 16% in 2024. Cancers of the lip, oral cavity, and pharynx accounted for more than half of the cancer deaths in 2024 among individuals aged 40-59 years (CHCC Health & Vital Statistics, 2025).

Your Committee further finds that dental screenings indicate a significant prevalence of oral cancer, with 35% of individuals screened and biopsied at the CHCC Dental Clinic testing positive. All identified cases were habitual chewers of betelnut/areca nut and lime mix/afok/or bweesch (Sabino, 2025). Oral cancer screenings are essential for prevention, early detection, and treatment. Screening rates continue to be significantly low. Fewer than 50% of adults surveyed in the CNMI indicated they had visited a dentist in the past year, and approximately 8% reported never having had a dental visit (CHCC Non-Communicable Disease Programs, 2023). The CHCC Oncology Clinic, the sole facility in the CNMI offering care for individuals at risk of cancer, undergoing treatment, and living with post-treatment cancer, reports that most of their oral cancer patients received diagnoses only after exhibiting symptoms of advanced-stage cancer, particularly stages 3 and 4. All oral cancer patients treated at the clinic were identified as regular consumers of betelnut/areca nut and lime mixture, commonly referred to as afok or bweesch (Brett & Hofschneider, 2025).

Your Committee recognizes that oral cancer has severe implications for individuals, encompassing physical pain, potential disfigurement from surgical interventions, emotional turmoil and depression, diminished quality of life and longevity, as well as financial strains on families and the broader community. Moreover, delayed screening and diagnosis persistently contribute to elevated mortality rates in the CNMI. This underscores the critical necessity for preventive measures and early interventions to identify and manage oral cancer in its initial stages, particularly stages 1 and 2. The significant financial burden associated with treating advanced oral cancer stages imposes considerable pressure on the CNMI's sole hospital and healthcare system, reallocating essential resources from other critical health priorities and threatening the sustainability of comprehensive care delivery.

Your Committee acknowledges the potential economic effects on businesses involved in the importation of betelnut/areca nut and lime mix/afok/bweesch. The excise tax may result in pricing adjustments and alterations in consumer demand, which could impact the revenue of these businesses. Your Committee strongly advocates for affected businesses to investigate diversification or transition to alternative products that are consistent with CNMI public health

objectives, balancing public health priorities with economic considerations. This Act enables the CNMI to effectively address essential public health objectives, establishing a sustainable framework for enhancing the healthcare system and fostering long-term health outcomes for our community.

Moreover, your Committee finds that all the funds collected pursuant to 4 CMC §1402(a)(22) and 4 CMC §1402(a)(23) shall be deposited into separate accounts, separate from the General Fund and that ninety percent (90%) of the funds shall go to the Commonwealth Healthcare Corporation Oncology Clinic to support the following oral cancer prevention, screening, and treatment services:

1. Comprehensive Cancer Screening and Prevention (CARES) Program services for oral cancer prevention initiatives in collaboration with oral health providers, CHCC Public Health Services, and nonprofit cancer survivor support organizations; oral cancer patient counseling and vaccines services, screening advice, and testing services;
2. Medical evaluation, treatments, and care management of oral cancer patients; and
3. Palliative Care Program services for patients with advanced oral cancer.

The remaining ten percent (10%) shall go to the CNMI Division of Customs and Biosecurity for operations and the enforcement of this Act.

In conclusion, your Committee agrees with the intent and purpose of House Bill No. 24-27 and recommends that the House pass the legislation in the form of House Draft 1

D. Public Comments/Public Hearing:

Public comments were not solicited; nonetheless, the formulation of this Act was a collaborative endeavor between the authors and the Commonwealth Healthcare Corporation.

E. Legislative History:

House Bill No. 24-27 was introduced by Representative Marissa R. Flores, Representative Malcolm J. Omar and Representative Elias M. Rangamar on April 24, 2025 and was subsequently referred to the House Standing Committee on Ways and Means and the House Standing Committee on Health and Welfare for disposition.

A similar legislation was introduced in the Twenty-Third Legislature and was passed by the House of Representatives. It was transmitted to the Senate for action and was subsequently filed by the Senate.

F. Cost Benefit Analysis:

Please see the attached cost benefit analysis prepared by the House Fiscal Analyst.

III. CONCLUSION:

The committee is in accord with the intent and purpose of House Bill No. 24-27 and recommends its passage in the form of House Bill No. 24-27, House Draft 1 on First and Final Reading.

Respectfully submitted,



Rep. John Paul P. Sablan
Chairman



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

Rep. Roy A. Ada, Member



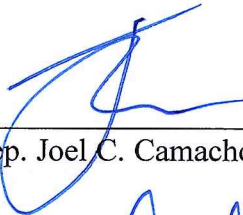
Rep. Roman C. Benavente, Member

Rep. Vincent S. Aldan, Member

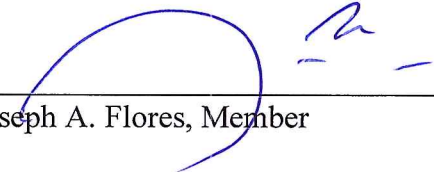


Rep. Angelo A. Camacho, Member

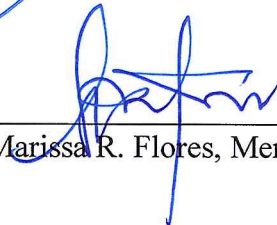
Rep. Joel C. Camacho, Member



Rep. Joseph A. Flores, Member



Rep. Marissa R. Flores, Member




Rep. Thomas John "TJ" DLC. Manglona

Rep. Julie M. A. Ogo, Member

Rep. Malcolm J. Omar, Member


Rep. Patrick H. San Nicolas, Member

Rep. Denita Kaipat Yangetmai, Member



Rep. Ralph N. Yumul, Member

Reviewed by:



House Legal Counsel

Date: 7-24-25

Floor Amendment

To: House Bill No. 24-27
Offered By: Representative Marissa R. Flores

House Bill No. 24-4 is hereby amended to read as follows:

1. Pages 4-5, Line 21 (Page 4), and Line 1 (Page 5): Section 1, Findings and Purpose shall be amended to read as follows:

“of this Act is to establish an excise tax ~~for imported~~ specifically on betel nut/areca nut and lime mix/afok/or bweesch- imported into the Commonwealth of the Northern Mariana Islands.”

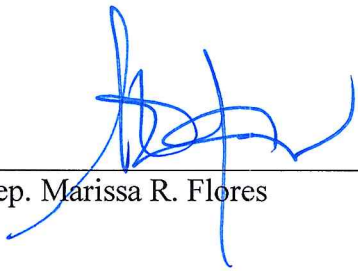
2. Page 5, Line 14: Section 3, 4 CMC §1402(a)(22) shall be amended to read as follows:

““(22) Betelnut/Areca Nut, ~~five~~ three dollars per pound or fractional equivalent thereof;”

Consistent with the intent of the foregoing amendments, I hereby also move to allow the Legal counsel together with the House Clerk to make further non-substantive technical amendments that are strictly necessary to effectuate the intent of this floor amendment prior to transmittal.


The legal sufficiency signature of House Legislative 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.

Date: 7/18/25



Rep. Marissa R. Flores

Reviewed for Legal Sufficiency by:



House Legal Counsel



Legislative Bureau
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500586
SAIPAN, MP 96950

FISCAL IMPACT ANALYSIS

Date: July 25, 2025

House Standing Committee: Ways and Means

Legislation: HB 24-27, HD1

Short Title: To establish an excise tax for betelnut/areca nut and lime mix/afok/or bwesch.

Purpose: Depicted in the data sets on the left hand side, are the calculated amounts which represent the revenue that was collected beginning October 1st, 2022 to March 31, 2025 for the excise tax on betelnut imported into the CNMI. Within this period of time the CNMI collected \$606,720 from 606,720 pounds of betelnut that was imported. If the excise tax rate is changed to reflect the proposed amendments in HB 24-27, HD1 it would cause a \$3 excise tax to be assessed on every pound of betelnut that is imported into the CNMI.

Analysis: For the purposes of assessing the potential revenue that may be generated from the excise tax of imported betelnut if changes are made to reflect the amendments in HB 24-27, HD 1 using the data that was collected from the same period of time that is mentioned above with a total weight of 606,720 pounds of betelnut imported at \$3 per pound, the CNMI would see a very significant change in excise tax collections. The CNMI would see a total collection of revenue generated from betelnut imports of over \$1,820,160. Please refer to the attached data set for more details of this analysis.

From these collections 90 percent shall be appropriated to the Commonwealth Healthcare Corporation Oncology Clinic to support the following oral cancer prevention, screening, and treatment services, medical evaluation, treatments, and care management of oral cancer patients; and Palliative Care Program services for patients with advanced oral cancer. In addition, the remaining 10 % shall be appropriated to the CNMI Division of Customs Biosecurity for operations.

This bill could thus provide upwards of \$1.63 million to the beneficiaries with support in funding their medical expenses related to their cancer treatment.

* * * E N D * * *

**TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE**

IN THE HOUSE OF REPRESENTATIVES

APRIL 24, 2025

First Special Session, 2025

H. B. 24-27, HD1

A BILL FOR AN ACT

To establish an excise tax for betelnut/areca nut and lime
mix/afok/or *bweesch*.

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

1 **Section 1. Findings and Purpose.** The Legislature acknowledges that the
2 chewing of betelnut/areca nut, often with lime mix/afok/or bweesch, is a tradition
3 shared across Pacific island communities, including the Commonwealth of the
4 Northern Mariana Islands (CNMI). While culturally significant, the Legislature
5 finds that this practice, whether combined with tobacco or not, poses a serious
6 health concern as betelnut/areca nut classifies as a Group 1 carcinogenic risk to
7 humans according to the World Health Organization (2023). The traditional habit
8 of chewing betelnut/areca nut and lime mix/afok/or bweesch contributes to
9 heightening oral cancer incidence and deaths in the CNMI. Recent health data
10 underscores oral cancer as a pressing public health issue, evidencing a strong

1 connection to chewing and the consumption of betelnut/areca nut and associated
2 products.

3 Public Health Findings: In the United States, new cases of oral cancer in
4 2024 amounted to 3% of total recorded cancer cases, and 2% of overall cancer
5 deaths were due to oral cancer (National Cancer for Health Statistics, 2024). Local
6 data finds oral cancer as the second most frequently diagnosed cancer in the CNMI,
7 closely trailing breast cancer. Data recorded by the Cancer Registry shows an
8 average of 20 diagnosed cases annually between 2018 and 2023 with cases growing
9 at a concerning average rate of 26.19% per year. Demographics reveal that 68% of
10 patients are Chamorro or Carolinian, rising to 89% when including other
11 Micronesians (Pacific Regional Central Cancer Registry, 2025). Mortality
12 statistics further reveal the grave impact of oral cancer, accounting for 20% of all
13 cancer deaths in 2023 and 16% in 2024, with lip, oral cavity, and pharynx cancers
14 representing over half of the 2024 cancer deaths for individuals ages 40-59 years
15 (CHCC Health & Vital Statistics, 2025).

16 Dental screenings also reflect the prevalence of the disease with 35% of
17 screened and biopsied individuals at the CHCC Dental Clinic alone testing positive
18 for oral cancer all identified as habitual chewers of betelnut/areca nut and lime
19 mix/afok/or bweesch (Sabino, 2025). Oral cancer screenings are vital for
20 prevention, early detection, and treatment. However, screening rates remain
21 alarmingly low. Less than half of surveyed adults in the CNMI reported a dental

1 visit within the last year, while nearly 8% stated they had never had one (CHCC
2 Non-Communicable Disease Programs, 2023). Moreover, the CHCC Oncology
3 Clinic, the CNMI's only center providing care for people at risk of cancer, being
4 treated for cancer, and living with cancer after treatment, report that the majority of
5 their oral cancer patients were diagnosed only after presenting symptoms of
6 advanced-stage cancer, specifically stages 3 and 4. Every oral cancer patient treated
7 at the clinic was also found to be a frequent chewer of betelnut/areca nut and lime
8 mix/afok/or bweesch (Brett & Hofschneider, 2025).

9 The Legislature further finds that oral cancer is characterized by devastating
10 consequences for affected individuals, including physical suffering - often inclusive
11 of disfigurement resulting from surgical treatment, emotional distress and
12 depression, reduced quality of life and lifespan, and financial burdens on families
13 and the community. Furthermore, late screening and diagnosis continue to lead to
14 persistently high mortality rates for the CNMI. This highlights the urgent need for
15 prevention and early interventions to detect and treat oral cancer during its earlier
16 stages, specifically stages 1 and 2. Moreover, the high financial cost of treating
17 advanced stages of oral cancer places a substantial strain on the CNMI's only
18 hospital and healthcare system, diverting critical resources from other vital health
19 priorities and jeopardizing the sustainability of comprehensive care provision.

20 Economic Implications: The Legislature recognizes imported
21 betelnut/areca nut and lime mix/afok/or bweesch are readily accessible in many

1 local stores, driving persistent demand. The proposed legislation seeks to tax only
2 imported betelnut/areca nut and related products, encouraging healthier choices and
3 behaviors among consumers. The tax also reduces access to and reliance on these
4 imported items, aiming to lower the prevalence of oral cancer and alleviate the
5 associated healthcare burdens in the CNMI. Beyond deterrence, the tax also
6 provides a vital opportunity to generate revenue for public health and clinical
7 initiatives to combat oral cancer and its impacts. Revenue from the tax would
8 bolster prevention campaigns, community incentive programs, early screening and
9 detection initiatives, and treatment options, supporting CHCC mandates and
10 creating a positive feedback loop for a sustainable pathway to improved health
11 outcomes.

12 The Legislature also realizes the potential economic impact on businesses
13 importing betelnut/areca nut and lime mix/afok/bweesch. The excise tax may lead
14 to pricing adjustments and shifts in consumer demand, potentially affecting the
15 revenue of these businesses. To balance significant public health priorities and
16 concerns with economic considerations, the Legislature encourages affected
17 businesses to explore opportunities for diversification or transition to alternative
18 products that align with CNMI public health goals. Through this legislation, the
19 CNMI can take a timely and decisive step to address critical public health goals,
20 providing a sustainable path for supporting the CNMI's healthcare system and
21 promoting long-term health outcomes for the community. Therefore, the purpose

1 of this Act is to establish an excise tax ~~for imported~~ specifically on betelnut/areca
2 nut and lime mix/afok/or bweesch- Imported into the Commonwealth of the
3 Northern Mariana Islands.

4 **Section 2. Amendment.** 4 CMC §1401 of the Commonwealth Code is
5 hereby amended by adding new subsections (r) and (s) to read as follows:

6 “(r) “Betelnut” and/or “Areca Nut” shall have the same meaning as
7 stated in 4 CMC §51902.

8 (s) “Lime Mix”, “*Afok*” or “*Bweesch*” shall mean the substance
9 produced by burning limestone, coral, or seashells, and transformed into
10 powder form OR the powdered form is mixed with water, both of which are
11 manufactured, used and/or sold as a betelnut chewing additive.”

12 **Section 3. Amendment.** 4 CMC §1402(a) of the Commonwealth Code is
13 hereby amended by adding new subsections (22) and (23) to read as follows and
14 the CNMI Law Revision Commission shall renumber remaining subsections
15 accordingly:

16 “(22) Betelnut/Areca Nut, ~~five~~ three dollars per pound or fractional
17 equivalent thereof;

18 (23) Lime Mix/Afok/Bweesch, ten cents per ounce or fractional
19 equivalent thereof;”

20 **Section 4. Amendment.** 4 CMC §1402(g) of the Commonwealth is hereby
21 amended by adding a new subsection (4) to read as follows:

1 “(4) Notwithstanding any laws, provisions, or laws to the contrary,
2 all funds collected pursuant to 4 CMC §1402(a)(22) and 4 CMC
3 §1402(a)(23) shall be deposited into separate accounts, separate from the
4 General Fund, as follows:

5 (I) Ninety percent (90%) to the Commonwealth Healthcare
6 Corporation Oncology Clinic to support the following oral cancer
7 prevention, screening, and treatment services:

8 1. Comprehensive Cancer Screening and Prevention (CARES)
9 Program services for oral cancer prevention initiatives in collaboration with
10 oral health providers, CHCC Public Health Services, and nonprofit cancer
11 survivor support organizations; oral cancer patient counseling and vaccines
12 services, screening advice, and testing services;

13 2. Medical evaluation, treatments, and care management of oral
14 cancer patients; and

15 3. Palliative Care Program services for patients with advanced oral
16 cancer.

17 The Chief Executive Officer of the Commonwealth Healthcare Corporation
18 shall be the expenditure authority of these funds.

19 (II) Ten percent (10%) to the CNMI Division of Customs
20 Biosecurity for operations. The Director of the CNMI Division of Customs
21 Biosecurity shall be the expenditure authority of these funds.”

HOUSE BILL 24-27, HD1

1 **Section 5. Severability.** If any provisions of this Act or the application of
2 any such provision to any person or circumstance should be held invalid by a court
3 of competent jurisdiction, the remainder of this Act or the application of its
4 provisions to persons or circumstances other than those to which it is held invalid
5 shall not be affected thereby.

6 **Section 6. Savings Clause.** This Act and any repealer contained herein
7 shall not be construed as affecting any existing right acquired under contract or
8 acquired under statutes repealed or under any rule, regulation, or order adopted
9 under the statutes. Repealers contained in this Act shall not affect any proceeding
10 instituted under or pursuant to prior law. The enactment of the Act shall not have
11 the effect of terminating, or in any way modifying, any liability, civil or criminal,
12 which shall already be in existence on the date this Act becomes effective.

13 **Section 7. Effective Date.** This Act shall take effect upon its approval by
14 the Governor, or it becoming law without such approval.

Prefiled: 4/17/2025

Date: _____ Introduced by: /s/ Rep. Marissa R. Flores
(Principal Sponsor)
/s/ Rep. Malcolm J. Omar
(Principal Sponsor)
/s/ Rep. Elias M. Rangamar
(Principal Sponsor)


Reviewed for legal sufficiency by:

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

Date: 4/15/2025

HOUSE BILL 24-27, HD1

HB24-27, HD1, reviewed for legal sufficiency by:



House Legal Counsel

Date: 7/22/25