



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 - 12/22/2025

STANDING COMMITTEE REPORT NO. 24-42

DATE: December 2, 2025

RE: House Bill No. 24-59

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. 24-59: To enact the "CNMI Fair Billing Practices Act" to establish clear and fair standards for back billing practices in the Commonwealth of the Northern Mariana Islands to protect consumers while allowing service providers to recover unpaid amounts lawfully due; and for other purposes.

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion, your Committee recommends that House Bill No. 24-59 be passed by the House in the form of House Draft 1 (HD1).

II. ANALYSIS:

A. Purpose:

To enact the "CNMI Fair Billing Practices Act" to establish fair standards for back billing

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practices that protect consumers while enabling service providers to lawfully recover unpaid amounts.

B. Committee Amendments:

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

1. Page 2, Lines 11-19. Section 102 (a) & (b) were amended to read as follows:

“(a) “Back billing” means the process of ~~retroactively~~ charging a customer for ~~services or goods a previously rendered service or provided but not billed at the time of delivery~~ utility due to system failures.

(b) “Service provider” means any entity providing utility, telecommunication, healthcare, or other consumer services within the Commonwealth. For the purposes of this Act, ‘service provider’ shall not include retail merchants, grocery stores, restaurants, or financial institutions operating under regulated credit practices, unless they engage in recurring service-based billing.”

2. Page 3, Lines 1-2. After the word “customer” insert “brought in good faith,”.

“(d) “Dispute” means a written objection by the customer brought in good faith, regarding the accuracy or legitimacy of a back bill.”

3. Pages 3-4, Lines 20-21 (Page 3), and Lines 1-2 (Page 4). Section 104 was amended to read as follows:

“Back billing shall be limited to four (4) months, except where the failure to bill was caused by events beyond the service provider’s reasonable control (e.g., system failures, third-party delays, or force majeure). In such cases, back billing may extend up to six (6) months with documented justification.”

4. Page 4, Lines 13-18. Section 107 was amended to read as follows:

“107. ~~Prohibition~~ Limitations on Averaging.

A service provider shall not estimate or average charges for unbilled periods; all amounts must be based on actual documented usage. Exemptions to averaging charges will only be allowable when service providers are unable to gain access to inform customers/consumers for billing notification or meter readings.”

5. Beginning from the bottom of Page 5, Section 111. Enforcement and Penalties, to the top of Page 7 was amended to read as follows:

“111. Enforcement and Penalties.

The CNMI Office of Consumer Counsel shall enforce this Act. A violation may result

in:

- (1) A fine not exceeding \$5,000 per incident;
- (2) Suspension or revocation of the provider's license for repeated violations; and
- (3) Civil liability as provided under 7 CMC § 2502-; and
- (4) Any party or parties that fail to substantiate their dispute with documentation shall be liable for the full amount of the disputed charges, including any administrative or legal fees incurred.

112. Billing Compliance and Conditional Exemption.

(a) Healthcare providers subject to federal billing mandates (e.g., Medicare, Medicaid, TRICARE) may back bill up to twelve (12) months, only for claims tied to those federal programs, and subject to compliance with the conditions below:

(b) As a condition of this exemption, healthcare providers shall:

1. Submit quarterly public billing reports to the CNMI Consumer Protection Office and the CNMI Legislature summarizing: - Total back-billed amounts by category - Age of each back-billed item - Number of billing disputes and resolution time

2. Undergo annual third-party audit of their billing department and submit the findings to the Legislature.

3. Maintain a consumer appeals hotline or office to handle billing complaints within 30 days.

4. Due to the Commonwealth Healthcare Corporation's (CHCC) billing system upgrade, there shall be a 24-month exemption, and grace period which will begin on or around the effective date of this Act. Upon completion CHCC will resume its back billing procedures to the initial twelve (12) months.

(c) The Office of the Attorney General and/or the CNMI Office of the Public Auditor shall have authority to investigate and enforce this section.

(d) If substantial evidence of repeated mismanagement, negligence, or non-compliance is found, the exemption shall be automatically suspended and default to the four-month rule in this Act."

C. Committee Findings:

Your Committee finds that this Act aims to establish clear and fair rules for how back billing is handled in the CNMI. This legislative step is crucial because it addresses the significant vulnerability of consumers, especially families and small businesses who rely on essential services, to unexpected charges for past services. These retroactive bills can often lead to considerable financial strain and uncertainty.

Your Committee finds that, currently, the absence of clear regulatory standards means consumers are frequently hit with unexpected bills that can disrupt their financial planning. At the same time, service providers lack a consistent and transparent method for collecting payments that are legitimately owed to them. This proposed Act seeks to bring our local laws into alignment with established national fair billing practices, as recognized and enforced by various federal agencies. The goal is to offer strong consumer protection and promote accountability among providers, all while ensuring compatibility with existing federal regulatory frameworks.

Your Committee finds that the primary objective of this Act is to establish comprehensive and unambiguous billing regulations specifically designed to prevent abusive or negligent back billing practices. This will ultimately enhance consumer confidence and foster greater trust in essential service providers. The Act carefully balances the vital need to protect consumers with the legitimate right of service providers to receive fair compensation for the services they have already delivered, thereby creating a more equitable and transparent operational environment for everyone involved. Therefore, your Committee agrees with the intent and purpose of House Bill No. 24-59 and recommends its passage in the form of HD1.

D. Public Comments/Public Hearing:

The Committee did not receive comments in either written or oral form.

E. Legislative History:

House Bill No. 24-59 was introduced by Representative Vincent S. Aldan on September 19, 2025 and was subsequently referred to the House Standing Committee on Commerce for disposition.

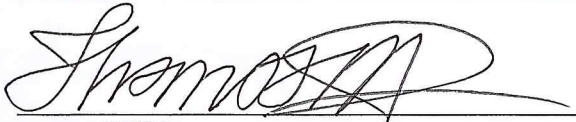
F. Cost Benefit:

The enactment of House Bill No. 24-59, HD1, while primarily designed to bolster consumer protection and ensure equitable billing practices, additionally introduces a potential, though possibly incremental, enhancement to the CNMI government's revenue stream. This financial impact stems directly from "Section 111. Enforcement and Penalties", which stipulates that violations of the Act may incur fines of up to \$5,000 per incident. Consequently, any fines imposed for non-compliance with these established billing standards will serve as a direct contribution to the Commonwealth's financial resources.

III. CONCLUSION:

The Committee is in accord with the intent and purpose of House Bill No. 24-59 and recommends its passage in the form of HD1.

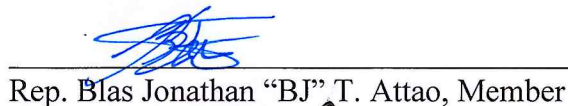
Respectfully submitted,



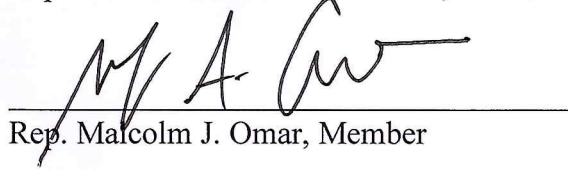
Rep. Thomas John "TJ" DLC. Manglona
Chairman



Rep. Roy A. Ada, Member



Rep. Blas Jonathan "BJ" T. Attao, Member



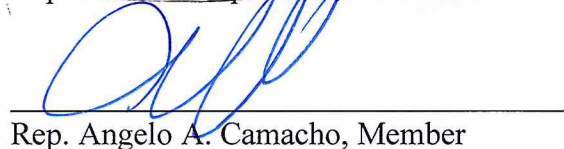
Rep. Malcolm J. Omar, Member

Rep. Patrick H. San Nicolas, Member

Rep. Julie M. A. Ogo, Vice Chairwoman



Rep. Daniel I. Aquino Jr., Member

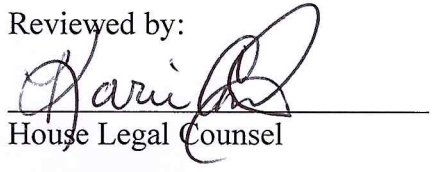


Rep. Angelo A. Camacho, Member



Rep. Raymond U. Palacios, Member

Reviewed by:



House Legal Counsel

Date: 12-3-23

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 9, 2025

Second Regular Session, 2025

H. B. 24-59, HD1

A BILL FOR AN ACT

To enact the “CNMI Fair Billing Practices Act” to establish clear and fair standards for back billing practices in the Commonwealth of the Northern Mariana Islands to protect consumers while allowing service providers to recover unpaid amounts lawfully due; and for other purposes.

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

1 **Section 1. Title.** This Act may be cited as the “CNMI Fair Billing Practices
2 Act.”

3 **Section 2. Findings and Purpose.** The Legislature finds that consumers in
4 the Commonwealth are highly dependent on imported goods and essential services,
5 leaving households and small businesses vulnerable to the unexpected burden of
6 back billing. Without clear standards, families face sudden costs that undermine
7 financial stability, while service providers lack a transparent framework for
8 recovering lawful charges.

9 The Legislature further finds that fair billing practices are recognized
10 nationally by agencies such as the Federal Energy Regulatory Commission, the
11 Federal Communications Commission, the Federal Trade Commission, and the

1 Centers for Medicare & Medicaid Services under the No Surprises Act. Aligning
2 Commonwealth law with these principles will protect consumers, promote fairness,
3 and ensure accountability without conflicting with federal requirements.

4 The purpose of this Act is to establish clear billing rules, prevent abusive or
5 negligent back billing, and strengthen consumer confidence while preserving the
6 right of service providers to recover amounts lawfully owed.

7 **Section 3. Enactment.** Subject to codification by the CNMI Law Revision
8 Commission, the following is hereby enacted into law:

9 “101. “CNMI Fair Billing Practices Act.”

10 102. Definitions.

11 (a) “Back billing” means the process of ~~retroactively~~ charging a
12 customer for ~~services or goods~~ a previously rendered service or provided but
13 not billed at the time of delivery utility due to system failures.

14 (b) “Service provider” means any entity providing utility,
15 telecommunication, healthcare, or other consumer services within the
16 Commonwealth. For the purposes of this Act, ‘service provider’ shall not
17 include retail merchants, grocery stores, restaurants, or financial institutions
18 operating under regulated credit practices, unless they engage in recurring
19 service-based billing.

20 (c) “Customer” means any individual or business entity receiving goods
21 or services from a service provider.

1 (d) “Dispute” means a written objection by the customer brought in
2 good faith, regarding the accuracy or legitimacy of a back bill.

3 103. Applicability. This Act applies to all service providers operating
4 within the Commonwealth, except where preempted by specific federal or
5 local law to include but not be limited to the following:

6 (1) FERC regulations governing electricity and gas billing (18 CFR Part
7 35)

8 (2) FCC billing transparency and anti-cramming rules under 47 CFR
9 § 64.2400

10 (3) FDCPA protections under 15 U.S.C. §§ 1692–1692p related to the
11 collection of disputed back bills

12 (4) No Surprises Act limitations on balance billing in healthcare (42
13 U.S.C. § 300gg-111)

14 (5) FTC unfair or deceptive billing rules, and

15 (6) Uniform Commercial Code (UCC) Article 2 and 2A as adopted by
16 CNMI.

17 104. General Limitations on Back Billing.

18 (a) A service provider may issue a back bill only for a period not
19 exceeding four months from the date the underbilling or non-billing occurred.

20 Back billing shall be limited to four (4) months, except where the failure to
21 bill was caused by events beyond the service provider’s reasonable control

1 (e.g., system failures, third-party delays, or force majeure). In such cases,
2 back billing may extend up to six (6) months with documented justification.

3 (b) Exceptions may apply in cases of documented fraud, tampering, or
4 unauthorized use by the customer.

5 105. Notice Requirements.

6 A service provider shall provide written notice explaining the reason
7 for the back bill, the period covered, and a detailed breakdown of charges,
8 delivered no later than thirty (30) days before payment is due.

9 106. Payment Plans.

10 A customer must be allowed to repay back-billed amounts over a period
11 equal to or greater than the duration of the billing period covered, unless the
12 customer agrees to shorter terms.

13 107. ~~Prohibition~~ Limitations on Averaging.

14 A service provider shall not estimate or average charges for unbilled
15 periods; all amounts must be based on actual documented usage. Exemptions
16 to averaging charges will only be allowable when service providers are
17 unable to gain access to inform customers/consumers for billing notification
18 or meter readings.

19 108. Exemptions for Negligence.

1 No back billing is permitted if the delay in billing resulted from the
2 service provider's negligence, failure to maintain accurate records, or
3 operational errors.

4 109. Dispute Resolution.

5 (a) A customer may dispute a back bill within sixty (60) days of
6 receiving notice.

7 (b) A service provider shall respond in writing within fifteen (15) days.

8 (c) Unresolved disputes may be referred to the CNMI Consumer
9 Protection Office for mediation or arbitration.

10 (d) A service provider may not discontinue services while a back-
11 billing dispute is pending.

12 110. Consumer Protections.

13 A service provider is prohibited from:

14 (1) Charging interest, penalties, or late fees on back-billed amounts
15 unless expressly authorized by law or the original service agreement;

16 (2) Engaging in back billing practices that rely on averaging or
17 estimations; and

18 (3) Violating federal healthcare billing restrictions, including those
19 under the No Surprises Act.

20 111. Enforcement and Penalties.

1 The CNMI Office of Consumer Counsel shall enforce this Act. A
2 violation may result in:

3 (1) A fine not exceeding \$5,000 per incident;

4 (2) Suspension or revocation of the provider's license for repeated
5 violations; ~~and~~

6 (3) Civil liability as provided under 7 CMC § 2502-; and

7 (4) Any party or parties that fail to substantiate their dispute with
8 documentation shall be liable for the full amount of the disputed charges,
9 including any administrative or legal fees incurred.

10 112. Billing Compliance and Conditional Exemption.

11 (a) Healthcare providers subject to federal billing mandates (e.g.,
12 Medicare, Medicaid, TRICARE) may back bill up to twelve (12) months,
13 only for claims tied to those federal programs, and subject to compliance with
14 the conditions below:

15 (b) As a condition of this exemption, healthcare providers shall:

16 1. Submit quarterly public billing reports to the CNMI
17 Consumer Protection Office and the CNMI Legislature
18 summarizing: - Total back-billed amounts by category - Age of each
19 back-billed item - Number of billing disputes and resolution time

20 2. Undergo annual third-party audit of their billing department

1 and submit the findings to the Legislature.

2 3. Maintain a consumer appeals hotline or office to handle
3 billing complaints within 30 days.

4 4. Due to the Commonwealth Healthcare Corporation's
5 (CHCC) billing system upgrade, there shall be a 24-month
6 exemption, and grace period which will begin on or around the
7 effective date of this Act. Upon completion CHCC will resume its
8 back billing procedures to the initial twelve (12) months.

9 (c) The Office of the Attorney General and/or the CNMI Office of the
10 Public Auditor shall have authority to investigate and enforce this section.

11 (d) If substantial evidence of repeated mismanagement, negligence, or
12 non-compliance is found, the exemption shall be automatically suspended
13 and default to the four-month rule in this Act.”

14 **Section 4. Non-Conflict Clause.** This Act is intended to complement
15 existing federal and CNMI law. In the event of conflict, federal law shall prevail.
16 Nothing in this Act alters or limits the statutes of limitation for legal proceedings
17 under Title 7 of the Commonwealth Code. This Act governs administrative billing
18 practices only.

19 **Section 5. Severability.** If any provisions of this Act or the application of
20 any such provision to any person or circumstance should be held invalid by a court
21 of competent jurisdiction, the remainder of this Act or the application of its

1 provisions to persons or circumstances other than those to which it is held invalid
2 shall not be affected thereby.

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

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

Prefiled: 9/4/2025

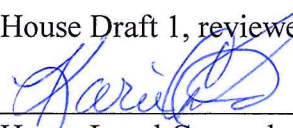
Date: _____

Introduced by: /s/ Rep. Vincent R. Aldan
/s/ Rep. Julie M. A. Ogo

Reviewed for legal sufficiency by:

/s/ Joseph L.G. Tajeron, Jr. Date: 9/4/2025
House Legal Counsel

House Draft 1, reviewed for legal sufficiency by:



House Legal Counsel

Date: 12-4-25