

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

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Regular Session, 2025

H. B. 24-47

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A BILL FOR AN ACT

To realign the authority and duties of the CNMI Department of Labor; and for other purposes.

**BE IT ENACTED BY THE 24<sup>TH</sup> NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

1           **Section 1. Short Title:** This Act may be referred to as the “Commonwealth  
2 Labor Conformity Act of 2025”.

3           **Section 2. Findings and Purpose:** The Legislature finds that the CNMI  
4 Department of Labor (“Department”) has undergone multiple reorganizations,  
5 resulting in unclear statutory authority and regulatory inconsistencies. The  
6 Department was originally established in 1978 as the Department of Commerce and  
7 Labor under Public Law 1-8. Subsequently, Executive Order 94-3 restructured it as  
8 the Department of Labor and Immigration. However, following the passage of the  
9 Consolidated Natural Resources Act (CNRA) of 2008, immigration functions were  
10 transferred to the federal government, and the Department was renamed the  
11 Department of Labor under Executive Order 2003-1. These successive changes  
12 have left gaps in the Department’s statutory framework, causing uncertainty  
13 regarding its duties and jurisdiction.

1           In recognition of this issue, Public Law 15-108 and Public Law 17-01 were  
2 enacted to repeal outdated provisions and realign the Department’s authority.  
3 Public Law 17-01, in particular, amended Public Law 15-108 to remove references  
4 to immigration functions and clarify that the CNMI’s labor laws must align with  
5 federal jurisdiction over immigration. However, despite these efforts, regulatory  
6 language and enforcement mechanisms remain inconsistent. Here we are, 15 years  
7 later, and regulatory issues related to immigration language still persist. This has  
8 led to confusion in the enforcement of labor regulations and the role of the  
9 Department in overseeing employment matters within the Commonwealth.

10           The Legislature reaffirms that all employers and workers in the  
11 Commonwealth must comply with both federal and CNMI law. The purpose of this  
12 Act is to further refine and clarify the statutory authority of the Department,  
13 ensuring that its duties are properly aligned with labor and employment  
14 enforcement while eliminating outdated references to immigration functions that  
15 are no longer within its jurisdiction. By repealing and replacing Public Laws 15-  
16 108 and 17-01, this measure will provide clear guidance on the Department’s  
17 authority, strengthen enforcement mechanisms, and ensure that CNMI labor  
18 regulations are current, effective, and consistent with applicable laws.

19           **Section 3. Repeal and Reenactment.** Title 1, Division 2, Part 1, Chapter  
20 15 of the Commonwealth Code is hereby repealed and reenacted to read as follows:

21           “Chapter 1. Department of Labor.

1 Article 1. General

2 § 101. There is established a Department of Labor within the Executive  
3 Branch of the Commonwealth Government to be headed by a Secretary of Labor.

4 § 102. Definitions. As used in this Chapter, the term:

5 (a) "Adjudicate" means to make a formal judgment on a disputed matter;

6 (b) "Administrative Hearing Office" means the hearing office of the  
7 Department of Labor; and for purposes of 1 CMC §§ 9109 and 9110 as those  
8 provisions may apply to this chapter;

9 (c) "Agency cases" are cases that deal with compliance with  
10 Commonwealth labor and employment statutes and regulations;

11 (d) "Commonwealth" means the Commonwealth of the Northern Mariana  
12 Islands;

13 (e) "Department" means the Department of Labor;

14 (f) "Labor and Employment Disputes" means issues of fact or law arising  
15 under Commonwealth labor and employment statutes and regulations; and

16 (g) "Secretary" means the Secretary of Labor.

17 § 103. Appointment.

18 The Secretary of Labor shall be appointed by the Governor with the advice  
19 and consent of the Senate. No person may be appointed as Secretary of Labor who  
20 does not possess professional qualifications including at least a bachelor's degree  
21 in an appropriate academic discipline.

1           § 104. Duties, Responsibilities and Divisions.

2           (a) The Department of Labor shall be responsible for the following:

3                 (1) To foster, promote, and develop the welfare of the Commonwealth  
4 workforce;

5                 (2) To improve working conditions in the Commonwealth;

6                 (3) To advance opportunities for profitable employment in the  
7 Commonwealth;

8                 (4) To enhance the employability and skills sets of individuals through  
9 various services, including job training, career counseling, and access to  
10 employment opportunities;

11                (5) To create, organize, and administer labor and employment related  
12 outreach in the Commonwealth;

13                (6) To develop, organize, collaborate, or participate in workforce  
14 development programs in the Commonwealth;

15                (7) To foster and promote public private partnerships with employers,  
16 education and training entities to develop training programs that align with  
17 current and emerging industries;

18                (8) To cooperate and share information with other agencies, federal  
19 offices, liaisons, or partners on employment-related matters;

1           (9) To promulgate rules and regulations, consistent with the law,  
2           regarding those matters over which the Department has jurisdiction and  
3           authority;

4           (10) To collect, maintain, and report information related to the CNMI  
5           workforce;

6           (11) To investigate, enforce, and regulate employer requirements,  
7           workplace activities, and working conditions in accordance with  
8           Commonwealth law;

9           (12) To adjudicate alleged violations of Commonwealth labor laws and  
10          regulations;

11          (13) To settle labor or regulatory disputes through mediation or other  
12          means of alternative dispute resolution; and

13          (14) To impose fines, penalties, or sanctions for violations of labor laws  
14          regulation.

15          (b) The Department of Labor shall establish and manage the Department of  
16          Labor Revolving Fund and authorize the collection of fees, including enforcement  
17          penalties and fees levied through the Administrative Hearing Office for services to  
18          other agencies.

19          (c) The Department of Labor shall be organized as follows: Division of  
20          Administrative Hearings, Division of Administrative Services, Division of  
21          Employment Services, and Division of Enforcement and Compliance.

1 (d) The Department of Labor shall be the designated state agency  
2 responsible for administering federally funded labor and employment-related  
3 programs made available to the CNMI.

4 § 105. Department of Labor: Staff.

5 The Department of Labor may employ staff as required to assist it in  
6 performing its duties, subject to budgetary appropriation and applicable law.

7 § 106. Conflicts of Interest.

8 No employee or official of the Department of Labor, or his or her immediate  
9 relative, shall own or have an equity interest in an employment agency or other  
10 business engaged in recruiting or processing employment-related documents. No  
11 employee of the Department of Labor shall accept a gratuity or other benefit from  
12 an employer or employee whose activities are regulated by the Department of Labor  
13 unless otherwise permitted by law or regulation. Any person who violates this  
14 section shall be guilty of a felony, and may be punished by a fine of five thousand  
15 dollars. In addition to any fine, any person who violates this section may be  
16 punished by imprisonment for not more than five years. A person convicted under  
17 this section shall be terminated from his or her government employment and shall  
18 not be re-employed by the Commonwealth government, in any capacity, for a  
19 period of ten years from the date of conviction.

20 Article 2. Division of Administrative Services.

21 § 201. Division of Administrative Services.

1           The Division of Administrative Services shall be headed by the Secretary  
2 of Labor.

3           § 202. Duties and Responsibilities.

4           The Division of Administrative Services shall be responsible for providing  
5 administrative services within the Department, such as human resource  
6 management, payroll, procurement, budget and accounting, and policy-making, as  
7 assigned by the Secretary of Labor.

8           Article 3. Division of Enforcement.

9           § 301. Division of Enforcement.

10          The Division of Enforcement shall be headed by the Director of  
11 Enforcement who shall be appointed by the Secretary and serve under the  
12 Secretary's supervision. The Director shall be responsible for administering all  
13 enforcement functions authorized under this Act and any regulations adopted under  
14 it.

15          § 302. Duties and Responsibilities.

16          The Division of Enforcement shall be responsible for investigating tips and  
17 referrals, monitoring compliance issues, and initiating agency cases for alleged  
18 violations of Commonwealth labor laws and regulations, as authorized by Article  
19 1, Section 104 of this Act.

20          Article 4. Division of Administrative Hearings.

21          § 401. Division of Administrative Hearings.

1           The Division of Administrative Hearings shall be headed by the Chief  
2 Administrative Officer.

3           § 402. Duties and Responsibilities.

4           The Division of Administrative Hearings shall be responsible for  
5 adjudicating appeals of agency cases and labor and employment disputes within its  
6 jurisdiction.

7           Article 5. Administrative Hearing Procedures.

8           § 501. Jurisdiction.

9           The Division of Administrative Hearings has original jurisdiction to  
10 conduct adjudicative proceedings with respect to all issues of fact or law arising  
11 under Commonwealth labor and employment statutes and regulations and may  
12 assign a hearing officer to provide services for any CNMI government agency that  
13 has complied with 1 CMC § 9115. Such services may include administrative  
14 adjudication, mediation, or any other administrative hearing support.

15           § 502. Powers and Responsibilities.

16           (a) The Administrative Hearing Officer may take any action and may  
17 prescribe all necessary rules and regulations to govern the conduct of proceedings  
18 to ensure a fair and impartial hearing, preserve and enforce order during any  
19 proceeding, and to avoid delay in the disposition of the proceedings.

20           (b) In accordance with applicable law, an Administrative Hearing Officer  
21 shall have the power to:

- 1           1. Issue subpoenas to compel the attendance of witnesses and the production
- 2           of evidence;
- 3           2. Administer oaths and affirmations;
- 4           3. Examine witnesses;
- 5           4. Determine the admissibility, credibility, and weight of evidence;
- 6           5. Rule on procedural motions and requests;
- 7           6. Conduct mediations;
- 8           7. Hold conferences to clarify, simplify, or settle issues in dispute;
- 9           8. Regulate the course of the administrative adjudication in accordance with
- 10          applicable law;
- 11          9. Review and approve settlement agreements for cases properly before it;
- 12          10. Seal records or close hearings from the public;
- 13          11. Issue decisions and make findings of fact and conclusions of law; and
- 14          12. Impose fines, penalties, fees and sanctions.
- 15          (c) The Administrative Hearing Officer may affirm, reverse, modify, or
- 16          remand a decision or order of the Department with respect to an administrative
- 17          adjudication if it finds that such order or decision is:
- 18               1. Outside the range of discretion delegated to the Department by law;
- 19               2. Inconsistent with an agency regulation, rule, official position, or prior
- 20          practice, unless the agency explains the inconsistency by stating facts and
- 21          reasons which demonstrate a rational basis for inconsistency;

1           3. In violation of an applicable statutory provision or regulation; or

2           4. Unsupported by substantial evidence in the agency record. Substantial  
3           evidence exists when the agency record, viewed as a whole, would permit  
4           a reasonable person to make the finding made by the agency.

5           (d) The Administrative Hearing Officer is limited to resolving actual  
6           disputes and shall not issue advisory opinions.

7           § 503. Practice and Procedures.

8           Notwithstanding any provision of law to the contrary, hearings shall be  
9           conducted in accordance with the Administrative Procedures Act and with rules  
10          and regulations promulgated under this Act. Where the Administrative Procedures  
11          Act and applicable rules and regulations are silent, the Model Rules of  
12          Administrative Procedures may serve as persuasive authority, as the Administrative  
13          Hearing Officer deems appropriate under the circumstances.

14          § 504. Statute of Limitations.

15          No labor complaint or regulatory action may be filed more than two (2)  
16          years after the date of the last-occurring event that is the subject of the complaint,  
17          except in cases where the actionable conduct was not discoverable upon the last-  
18          occurring event.

19          Article 6. Federally Funded Programs.

20          § 601. Designated State Agency.

1           The Department of Labor shall be the designated State Agency to administer  
2           federally funded labor and employment-related programs or initiatives made  
3           available in the Commonwealth.

4           § 602. Workforce Investment Programs.

5           The Department may operate and maintain programs and federal grants  
6           authorized under the Workforce Innovation and Opportunity Act, as amended. In  
7           doing so, the Department of Labor shall operate such programs in accordance with  
8           applicable laws and guidance, established program requirements, and approved  
9           agreements or state plans.

10          § 603. Occupational Safety and Health Administration On-Site  
11          Consultation Program.

12          The Department may operate and maintain the Occupational Safety and  
13          Health Administration On-Site Consultation Program. In doing so, the Department  
14          of Labor shall operate said program in accordance with applicable laws and  
15          guidance, established program requirements, and approved cooperative  
16          agreements.

17          § 604. Federal Unemployment Assistance Programs.

18          The Department may administer federal unemployment benefit programs,  
19          including but not limited to the Disaster Unemployment Assistance program. In  
20          doing so, the Department of Labor shall operate said program in accordance with

1 applicable laws and guidance, established program requirements, and approved  
2 cooperative agreements and state plans.”

3       **Section 4. Repeal.** Title 3, Division 4, Part 2, Chapter 1 of the  
4 Commonwealth Code is hereby repealed.

5       **Section 5. Amendment.** Title 3, Division 4, Part 2, Chapter 2, Article 1,  
6 § 4511 of the Commonwealth Code is hereby amended to read as follows:

7       **“§ 4511. Definitions.**

8       As used in this chapter, the following terms shall, unless the context clearly  
9 indicates otherwise, have the following meanings:

10       (a) "Administrative Hearing Office" means the hearing office of the  
11 Department of Labor; ~~and for purposes of 1 CMC §§ 9109 and 9110 as those~~  
12 ~~provisions may apply to this chapter;~~

13       (b) “Administrative Order” means a legally binding directive issued by a  
14 hearing officer mandating compliance with certain laws, regulations, or penalties;

15       (c)(b) "Citizen" means a person who is a citizen or national of the United  
16 States;

17       (d)(e) "CNMI ~~permanent~~ long-term resident" means a person with long-  
18 term resident status or a person granted parole and work authorization by the United  
19 States Citizenship and Immigration Services who was granted the status of CNMI  
20 permanent resident by the CNMI government prior to April 23, 1981;

21       (e) “Commonwealth” means the Commonwealth of the Northern Mariana

1 Islands.

2 (f)(d) "Department" means the Department of Labor.

3 (e) "~~Domestic helper~~" means a person who assists an employer with the  
4 domestic duties of a household, including but not limited to cooking, cleaning, and  
5 care for children, elders, and handicapped persons in the home; and does not include  
6 farmers.

7 (g)(f) "Employer" means a person, corporation, partnership, public agency,  
8 or other legal entity that which acts in the interest of an employer in relation to a  
9 worker has a current business license issued by the Commonwealth, is doing  
10 business in the Commonwealth, and has one or more approved employment  
11 contracts with foreign national workers, or is acting directly or indirectly in the  
12 interest of a person, corporation, partnership or other legal entity in relation to an  
13 employee; or a person employing a farmer or domestic helper; and does not include  
14 the government of the United States.

15 (h) "Exemptions" mean the specific conditions under which certain  
16 employers or projects may be exempt from workforce participation requirements.

17 (i) "Expenditure Authority" means the designated official responsible for  
18 authorizing the disbursement of funds, typically the Secretary of the Department of  
19 Labor.

20 (j)(g) "FAS citizen" means a citizen of the Freely Associated States, which  
21 are the Federated States of Micronesia, the Republic of the Marshall Islands, and

1 the Republic of Palau, who is legally residing in the Commonwealth.

2 (k) "Foreign national worker" means a person who is not a U.S. Eligible  
3 worker in the Commonwealth; this includes holders of such non-immigrant visa  
4 categories as CW-1 , H-1B, H-2A, and H-2B.

5 (l) "Good Faith Efforts" means reasonable and documented attempts by an  
6 employer to hire a U.S. Eligible Worker before employing foreign national  
7 workers. Good faith efforts, may include, but are not limit to the following: Copies  
8 of job vacancy postings; Records of interviews or rejection letters; Job fair  
9 participation; Recruitment advertisements; or any methods that the Secretary shall  
10 adopt via regulations.

11 (m)(h) "Hearing officer" means a hearing officer appointed by the Secretary  
12 who serves in the Administrative Hearing Office and who conducts mediations,  
13 hearings, and other proceedings as necessary; and for purposes of 1 CMC §§ 9109  
14 and §§ 9110 as those provisions may apply to this chapter.

15 ~~-(i) "Indigenous" means a person generally recognized in the community as~~  
16 ~~a person of Northern Marianas Descent, who is also a citizen or permanent resident~~  
17 ~~of the Commonwealth and speaks the Carolinian or Chamorro language to a degree~~  
18 ~~of fluency such that the person may accomplish the basic daily tasks of life without~~  
19 ~~resorting to a language other than the Carolinian or Chamorro language.~~

20 (n)(j) "Job classification" means the job classifications described by  
21 regulation promulgated by Employment Services.

1           (o) "Job Preference" means the requirement that U.S. Eligible Workers be  
2 given priority for employment opportunities within the Commonwealth.

3           (p) "Jurisdiction" means the authority of the Administrative Hearing Office  
4 to resolve employment-related disputes and enforce labor laws.

5           (q) "Mediation" means an informal, non-public, confidential meeting  
6 attended by the parties to a labor dispute or potential labor dispute together with a  
7 mediator at the Administrative Hearing Office in order to seek a voluntary  
8 resolution of the dispute satisfactory to all parties and reflected in a written  
9 agreement.

10           (r)(k) "Permanent resident" means a person who is legally residing in the  
11 Commonwealth without restrictions as to employment in the Commonwealth,  
12 including but not limited to eligible immediate relatives of citizens and citizens of  
13 the Freely Associated States of the Federated States of Micronesia, the Republic of  
14 the Marshall Islands, and the Republic of Palau.

15           (s) "Reductions in Force" means employer actions involving workforce  
16 reductions due to economic necessity, with priority given to retaining U.S. Eligible  
17 Workers over foreign national workers.

18           (t) "Repatriation" means the exit from the Commonwealth and travel to the  
19 point of hire for a worker by voluntary action; and in the case of the death of a  
20 worker while in the Commonwealth, the embalming and shipment of the body to  
21 the point of hire.

1           (u) ~~(t)~~ "Secretary" means the Secretary of Labor.

2           (v) "U.S. Eligible Worker" means a citizen or non-citizen authorized to  
3 work in the United States. This includes U.S. Citizens, U.S. permanent residents,  
4 CNMI long-term residents and FAS Citizens.

5           (w)~~(m)~~ "U.S. permanent resident" means a person who has been granted  
6 permanent resident status by the United States.

7           (x) "Worker" means a person who is employed in the Commonwealth of  
8 the Northern Mariana Islands."

9           **Section 6. Amendment.** Title 3, Division 4, Part 2, Chapter 2, Article 2,  
10 § 4521 of the Commonwealth Code is hereby amended to read as follows:

11           **"§ 4521. Job Preference.**

12           ~~Citizens and CNMI permanent residents and U.S. permanent residents~~ U.S  
13 Eligible Workers shall be given preference for employment in the Commonwealth.  
14 ~~Capability in the official languages of the Commonwealth is an important skill with~~  
15 ~~respect to working effectively within the Commonwealth."~~

16           **Section 7. Repeal.** Title 3, Division 4, Part 2, Chapter 2, Article 2, § 4523  
17 of the Commonwealth Code is hereby repealed.

18           **Section 8. Amendments.** Title 3, Division 4, Part 2, Chapter 2, Article 2,  
19 § 4525 of the Commonwealth Code is hereby amended to read as follows:

20           **"§ 4525. U.S. Eligible Worker Workforce Participation By Citizens and**  
21 **CNMI Permanent Residents and U.S. Permanent Residents.**

1           In the ~~full-time~~ workforce of any employer, the percentage of ~~citizens, U.S.~~  
2 Eligible Workers ~~permanent residents, and CNMI permanent residents and their~~  
3 ~~immediate relatives~~ employed shall equal or exceed the (30) thirty percentage as  
4 measured by the quarterly Census of Employment. ~~of citizens, U.S. permanent~~  
5 ~~residents, and CNMI permanent residents and their immediate relatives in the~~  
6 ~~available private sector workforce unless attainment of this goal is not feasible~~  
7 ~~within the current calendar year after all reasonable efforts have been made by the~~  
8 ~~employer.~~ This requirement shall sunset one (1) year after the phaseout of the CW-  
9 1 CNMI-Only transitional worker visa category.”

10           **Section 9. Amendments.** Title 3, Division 4, Part 2, Chapter 2, Article 2,  
11 § 4526 of the Commonwealth Code is hereby amended to read as follows:

12           “**§ 4526. Exemptions.**

13           (a) The provisions of 3 CMC § 4525 shall not apply to employers of fewer  
14 than five employees, provided however, that the Secretary may, by regulation,  
15 require each business to have at least one employee who is a U.S Eligible Worker  
16 ~~citizen or CNMI permanent resident and U.S. permanent resident~~, or remove the  
17 exemption available to employers against whom two or more judgments are entered  
18 in Department proceedings in any two year period.

19           (b) The Secretary, or an authorized designee, may grant an exemption from  
20 this chapter for a particular construction project of limited duration.

1           (c) The Department shall have the authority to establish additional  
2 regulations implementing this provision.”

3           **Section 10. Amendments.** Title 3, Division 4, Part 2, Chapter 2, Article  
4 2, § 4528 (a) of the Commonwealth Code is hereby amended to read as follows:

5           “**§ 4528. Adjudication of Claims.**

6           (a) A ~~citizen or CNMI permanent resident or U.S. permanent resident~~ U.S  
7 Eligible Worker who is qualified for a job may make a claim for damages if an  
8 employer has not met the requirements of 3 CMC § 4525, the employer rejects an  
9 application for the job without just cause, and the employer employs a person who  
10 is not a ~~citizen or CNMI permanent resident or U.S. permanent resident~~ U.S  
11 Eligible Worker for the job.”

12           **Section 11. Amendment.** Title 3, Division 4, Part 2, Chapter 2, Article 2,  
13 § 4529 (a) of the Commonwealth Code is hereby amended to read as follows:

14           “**§ 4529. Statistical Data.**

15           (a) The Secretary shall maintain statistical data with respect to the number  
16 of ~~citizens and CNMI permanent residents and U.S. permanent residents~~ workers  
17 employed in each of the relevant NAICS categories. The Secretary shall describe  
18 any special definitions used in these regards to account for all employment of  
19 ~~citizens and CNMI permanent residents and U.S. permanent residents~~ workers in  
20 the Commonwealth within the enumerated categories.

21           (b) The Department shall have the authority to establish additional

1 regulations for this provision.”

2           **Section 12. Repeal.** Title 3, Division 4, Part 2, Chapter 2, Article 3 of the  
3 Commonwealth Code is hereby repealed in its entirety.

4           **Section 13. Repeal and Reenactment.** Title 3, Division 4, Part 2, Chapter  
5 4 is hereby repealed and reenacted to read as follows:

6           **“Chapter 4. Employment.**

7           **Article 1. Standards for Employment.**

8           § 101. Standard Conditions of Employment.

9           (a) All employers in the Commonwealth shall provide a safe working  
10 environment, including an adequate supply of drinking water and sufficient and  
11 sanitary toilet facilities at the worksite, or reasonable access thereto.

12           (b) Wage rates. No worker employed in the Commonwealth shall be paid  
13 less than the minimum wage provided by law.

14           (c) Hours of work. The hours of work shall be specified to a worker a  
15 reasonable time in advance of the start of employment. Overtime work may be  
16 offered by the employer but not required. Any period of time during which the  
17 worker is required to be present at any location within the Commonwealth  
18 designated by his or her employer shall be considered working hours for purposes  
19 of determining wages and overtime pay.

1           (d) Payment of wages. Payment of wages shall be in full compliance with  
2 Commonwealth law and applicable federal law. Nothing in this Section requires  
3 an employer to pay wages for which the employee did not work.

4           (e) Deductions from wages. Each expense of the employer to be deducted  
5 from the wages of a worker shall be specified reasonably in advance and shall be  
6 itemized on the wage documentation provided to the worker by the employer.  
7 Allowable deductions shall be defined in regulations, and no other deductions may  
8 be made from the wages of a worker.

9           (f) Documents. No employer may withhold from worker any passport,  
10 identification card, or other document related to the status of the worker.

11           (g) The Department shall have the authority to establish regulations to  
12 enforce this provision, ensuring compliance with occupational safety and health  
13 standards.

14           § 102. Reduction in Force.

15           Economic hardship may force a business to reduce its workforce or close.  
16 Employers have the right to make these decisions. However, under Commonwealth  
17 law, U.S. Eligible Workers must be given job preference.

18           Before laying off any U.S. Eligible Workers, employers must first lay off  
19 foreign national workers in the same job classification or any classification with  
20 equal or lesser minimum- requirements as defined by the Department through  
21 regulations.

1 Employees have rights, and employers have responsibilities beyond what is  
2 stated here. These rules do not replace any other legal or contractual obligations.  
3 Employers must also follow the federal Worker Adjustment and Retraining  
4 Notification (WARN) Act. Businesses shall give 60 days' notice to the Department  
5 before a mass layoff or closure. Businesses shall give employees 30 days' notice  
6 before a mass layoff or closure.

7 § 103. Avoidance and Early Resolution of Potential Labor Disputes.

8 Mediation of labor disputes. The Administrative Hearing Office shall, as it  
9 finds necessary and useful, conduct early intervention in potential and actual labor  
10 disputes in order to seek a mediated resolution.

11 (1) Upon the filing of a labor complaint, the Administrative Hearing Office  
12 may set the matter for prompt mediation and notify the parties to appear.

13 (2) In the event that a matter is set for mediation, the parties shall attend the  
14 mediation and make a good faith attempt to settle the dispute before proceeding  
15 with the claim. If the Department is the complainant, it may waive the mediation  
16 requirement.

17 (3) Failure of a complainant to appear at the mediation without providing  
18 the Administrative Hearing Office with advance written notice at least five days  
19 prior to the scheduled appearance may result in the dismissal of a complaint without  
20 prejudice.

1           (4) At a mediation session, a hearing officer may issue a notice of hearing  
2 with respect to the complaint, dismiss a complaint as untimely under Section  
3 4962(b), and take other administrative actions to assist in the prompt resolution of  
4 the complaint.

5           § 104. Inspection of Worksite.

6           (a) Administrative inspections of worksites. In order to enforce the labor  
7 laws of the Commonwealth, the Secretary or a designee may inspect any worksite  
8 where workers are employed.

9           (1) No warrant is required for inspection of a worksite, and the Department  
10 need not present any evidence of a violation of labor laws or regulations as  
11 a basis for such an inspection.

12           (2) No notice of the date and time of the inspection need be given to the  
13 employer in advance of the actual inspection.

14           (3) The Department shall furnish, at a reasonable cost, to every employer  
15 whose worksite is subject to inspection a list of revised statutes and  
16 regulations describing the employer's obligations and defining the  
17 inspector's authority.

18           (b) Frequency of inspections. The rules governing the frequency of  
19 administrative inspections shall be prescribed by regulation and published in an  
20 administrative schedule.

21           (c) Scope of inspections. The inspector may inspect:

1           (1) All public areas of the worksite and premises to which the general public  
2 might reasonably be expected to have access to during normal business hours;

3           (2) All areas of the worksite and premises in which workers are observed,  
4 or might reasonably be expected to have access to during the normal operation of  
5 the employer's business;

6           (3) The employer's payroll records, approved worker contracts, or any other  
7 documents or business records the employer is required to collect, maintain or  
8 produce for inspection pursuant to this chapter, regulations, and the Minimum  
9 Wage and Hour Act;

10          (4) All equipment, machines, tools, or devices any worker might reasonably  
11 be expected to use, operate or maintain, in the normal course of the employer's  
12 business;

13          (5) All safety devices, safeguards (such as machine guarding, electrical  
14 protection, scaffolding, safe walking-working surfaces, means of egress in case of  
15 emergencies or fire, ventilation, noise exposure protection, personal protective  
16 equipment for eyes, face, head and feet, fire protection and sanitation), drinking  
17 water supply and toilet facilities;

18          (6) All waste disposal equipment, trash and refuse containers; and

19          (7) Employer-provided housing and common areas, including, but not  
20 limited to: fire protection devices or improvements; sanitation equipment;  
21 ventilation, whether natural or mechanical; drinking water supply; toilet facilities;

1 cooking facilities, equipment and appliances; food and food storage equipment and  
2 facilities; lighting; windows and screens; bedding; laundry facilities, equipment and  
3 supplies.

4 (d) Authority of inspectors.

5 (1) If a violation of any labor law or regulation is found, the inspector may  
6 issue a citation, notice of violation, or other process intended to correct the violation  
7 or enjoin the employer from certain practices or commence an enforcement action  
8 against the employer.

9 (2) The inspector shall not detain or arrest any person, but may refer any  
10 person to another enforcement agency for further action consistent with the laws of  
11 the Commonwealth or of the United States.

12 (e) Personnel for inspections. For purposes of carrying out responsibilities  
13 pursuant to this section, the Secretary may, by agreement with other agencies of the  
14 Commonwealth government, utilize with or without reimbursement, the services,  
15 personnel, or facilities of the other agencies.

16 (f) Inspections of Worksites Pursuant to Warrant.

17 (1) In those instances where the Secretary or a designee intends to inspect  
18 any location or worksite in furtherance of obtaining evidence related to a specific  
19 criminal investigation, a search warrant from the Commonwealth Superior Court,  
20 requiring a showing of probable cause, shall be required.

1           (2) In the event that an employer refuses consent for an inspection or if the  
2 Department's inspection will exceed the scope or frequency of the inspections  
3 authorized under subsections (a) through (e) of this section, the Secretary or a  
4 designee may seek an administrative warrant from the Department's Administrative  
5 Hearing Office.

6           (3) An administrative warrant shall be granted if the Department  
7 demonstrates to the satisfaction of a hearing officer that one of the following  
8 standards has been met:

9                   (i) The worksite has been chosen for an inspection on the basis of a  
10                   general administrative plan derived from neutral criteria for the  
11                   enforcement of Commonwealth labor laws and regulations;

12                   (ii) The Department has presented evidence establishing reasonable  
13                   suspicion of a recent, ongoing or imminent violation of this chapter,  
14                   regulations, the Minimum Wage and Hour Act, or any other  
15                   Commonwealth law protecting the health and safety of employees,  
16                   at the worksite for which the administrative warrant is sought; or

17                   (iii) The Department has presented evidence that the employer has  
18                   been cited for a violation of Commonwealth labor laws or  
19                   regulations within the past twelve months at the worksite in  
20                   question, and the past violation is one that is easily repeated, easily

1           concealed, and poses a risk to the health and safety of one or more  
2           employees.

3           § 105. Investigations.

4           The Department or a designee shall conduct investigations as the  
5 Department may deem appropriate and necessary to enforce the provisions of this  
6 chapter and regulations, and to ensure lawful working conditions, employer  
7 supplied benefits, and the health and safety of workers in the Commonwealth.

8           **Article 2. Adjudication of Employment disputes.**

9           § 201. Complaints and Actions in Labor Matters.

10          (a) Individual complaints. Any worker who is aggrieved by the failure or  
11 refusal of his or her employer to comply with Commonwealth labor or wage laws,  
12 may make a complaint to the Department.

13          (b) Department actions. The Department may commence an action against  
14 an employer for an alleged violation of the labor or wage laws of the  
15 Commonwealth.

16          (c) Court actions. The Attorney General, at the request of the Secretary, may  
17 institute an action in any court of competent jurisdiction for a temporary restraining  
18 order, injunction, or other appropriate remedy to enforce any provision of this  
19 chapter.

20          § 202. Jurisdiction of the Administrative Hearing Office.

1           (a) Jurisdiction. The Administrative Hearing Office shall have original  
2 jurisdiction to resolve all actions involving alleged violations of the labor and wage  
3 laws of the Commonwealth, including but not limited to any violation of this  
4 chapter and regulations promulgated thereunder. The Commonwealth Superior  
5 Court shall have concurrent jurisdiction to resolve all labor and wage violations that  
6 are criminal in nature. The Administrative Hearing office may assist other  
7 government agencies that require administrative hearing services for a fee  
8 established by regulation.

9           (b) Limitation on stays of proceedings. The Administrative Hearing Office  
10 shall not stay any proceeding to allow the parties to proceed with their claims in a  
11 different forum except upon order of a court of competent jurisdiction.

12           § 203. Reserved.

13           § 204. Powers of Hearing Officer.

14           A hearing officer shall have general power to issue subpoenas, summon  
15 witnesses, require production of books, papers, documents and records, administer  
16 oaths, and such other powers as may be necessary to implement this chapter  
17 effectively. A hearing officer may refer a matter to the Department for investigation  
18 if the hearing officer deems investigation warranted and justified under the  
19 circumstances.

20           § 205. Service of Process.

1           Service of process for any notice of any kind required for any proceeding  
2 conducted by the Administrative Hearing Office may be by personal service, by  
3 first class mail, postage prepaid, to the worker at the address supplied with the  
4 complaint or the last known or verified address or any written update provided to  
5 the Department, and to the employer at the address supplied by the complainant or  
6 any written update provided to the Department, or by publication in any English-  
7 language newspaper of general circulation in the Commonwealth, if personal  
8 service or service by mail has been unsuccessful.

9           § 206. Conduct of Hearings.

10           A hearing shall be commenced as soon as practicable after filing of a  
11 complaint and any mediation that may be held in the matter. Adequate notice and  
12 opportunity to present relevant evidence shall be given to all parties.  
13 Notwithstanding any other provision of law, a hearing may be closed at the  
14 discretion of the Administrative Hearing Office upon a showing that it is in the best  
15 interests of a party. A decision to close or not to close a hearing shall be reviewable  
16 by the Secretary.

17           § 207. Orders and Relief.

18           (a) The hearing officer may, after notice and an opportunity to be heard is  
19 provided to the parties, dismiss *sua sponte* a complaint that the hearing officer finds  
20 to be without merit. Dismissal shall be reviewable pursuant to the Administrative  
21 Procedure Act (1 CMC § 9101 et seq.).

1           (b) The hearing officer shall, upon concluding a hearing, issue any  
2 necessary findings, decisions, and orders as soon as practicable.

3           (c) Issuance of findings, decisions, and orders shall be pursuant to 1 CMC  
4 § 9110, but shall not be judicially reviewable until final.

5           (d) The hearing officer is authorized to:

6               (1) Award unpaid wages or overtime compensation, amounts  
7 unlawfully deducted from wages or unlawfully required by an employer to  
8 be paid by a worker, damages for unlawful termination of a contract, or  
9 damages, when appropriate, for conduct of the employer that is in violation  
10 of Commonwealth or federal law;

11               (2) Assess liquidated damages in twice the amount of unpaid wages or  
12 overtime compensation in any case in which a worker prevails on unpaid  
13 wages or overtime compensation claims unless the hearing officer finds  
14 extenuating circumstances; and assess liquidated damages in an amount to  
15 be determined at the hearing in cases in which the employer's conduct in  
16 failing to pay wages or overtime is found to have been willful or retaliatory;

17               (3) Levy a fine not to exceed two-thousand dollars for each violation of  
18 any provision of this chapter;

19               (4) Issue declaratory or injunctive relief as appropriate;

1           (5) Award attorney fees when appropriate in addition to any other  
2           enumerated remedy; provided however that attorney fees shall not be  
3           recoverable against the Commonwealth; and

4           (6) Impose such other sanction, order or relief as may reasonably give  
5           effect to Division 4, Title 3.

6           (e) The hearing officer may assess costs for repatriation of a worker to the  
7           point of hire.

8           (f) The hearing officer may find an action to be frivolous if it is unfounded  
9           in fact or law or initiated primarily to obtain an undue pecuniary benefit or for  
10          distraction or delay.

11          § 208. Appeal to the Secretary.

12          (a) Within thirty days of issuance, any person or party affected by findings,  
13          decisions, or orders made pursuant to this chapter may appeal to the Secretary by  
14          filing a written notice of appeal, in a form prescribed by regulations, stating the  
15          grounds for the appeal. If no appeal is made to the Secretary within thirty days, the  
16          findings, decisions, or orders shall be unreviewable administratively or judicially.

17          (b) Upon appeal, the Secretary may, in the Secretary's discretion, restrict  
18          review to the existing records, supplement the record with new evidence, hear oral  
19          argument, or hear the matter *de novo* pursuant to 1 CMC §§ 9109 and 9110. The  
20          Secretary shall have the same powers as a hearing officer in addition to other

1 powers pursuant to this chapter. The Secretary shall affirm or reverse a decision  
2 based on a preponderance of the evidence in the administrative record.

3 (c) Upon completion of review, the Secretary shall confirm or modify the  
4 finding, decision, or order in writing as soon as practicable. Any modification shall  
5 include supplemental findings. The Secretary's decision shall constitute final action  
6 for purposes of judicial review. Failure by the Secretary to confirm or modify a  
7 finding, decision, or order within thirty days shall constitute confirmation of each  
8 of the findings, decisions, or orders of the hearing officer as the final action of the  
9 Secretary for purposes of judicial review.

10 § 209. Judicial Review.

11 (a) Judicial review of a final action of the Secretary is authorized after  
12 exhaustion of all administrative remedies and shall be initiated within ninety days  
13 of final action.

14 (b) Except as may be contrary to the provisions of this chapter, judicial  
15 review shall be pursuant to 1 CMC § 9112. Appeal from a final action by the  
16 Secretary shall be directly to the Commonwealth Superior Court.

17 (c) Notwithstanding any other provision of law:

18 (1) Notice of all actions and proceedings pursuant to this section shall be  
19 served upon the Attorney General;

20 (2) Judicial review shall be confined to the record; and

21 (3) Actions involving judicial review of final action by the Secretary shall

1           be limited to the appeal; other causes of action may not be alleged in the  
2           action for judicial review.

3           **Article 3. Other Provisions.**

4           § 301. Regulations and Legislative Oversight.

5           The Secretary shall promulgate regulations to implement the intent of this  
6           Act no later than 180 days after its effective date, pursuant to the Administrative  
7           Procedure Act (1 CMC § 9101 et seq.), including the delegation of any duties as  
8           imposed herein. In the event that more time is needed for the promulgation of  
9           regulations, the Legislature may grant an extension, for good cause shown, via joint  
10          resolution.

11          § 302. Limitations.

12          Time Limit for Filing Labor Complaints. Labor complaints must be filed  
13          within two years of the last event related to the complaint. If the issue was not  
14          immediately discoverable, the complaint must be filed within two years of when a  
15          reasonable person could have discovered it.

16          § 303. Prohibitions.

17          (a)(1) No person who enters the Commonwealth as a nonimmigrant resident  
18          alien may obtain a financial interest in, operate, or engage in any business, or  
19          become an employer without first qualifying to operate a business under applicable  
20          provisions of Commonwealth law.

1           (2) No person who has at any time entered the Commonwealth for  
2 employment may maintain a financial interest in, operate, or engage in any  
3 business, or employ others without first qualifying to operate a business under  
4 applicable provisions of Commonwealth law. Chapter 9 of Division 5 of Title 4,  
5 or other application provisions of Commonwealth law.

6           (b) An employer shall not make a materially false statement or give  
7 materially misleading information, orally or in writing, to the Department or any  
8 employee or officer of the Executive Branch with respect to any requirement of this  
9 chapter.

10           (c) An employer shall not pay a worker at a rate of pay lower than the  
11 minimum wage as provided by Commonwealth law or applicable federal law.

12           (d) An employer shall not make any deduction from the wages of a worker  
13 in violation of Commonwealth law.

14           (e) An employer shall not employ a person who is not a U.S. Eligible worker  
15 and who has entered the Commonwealth without authorization to work; provided  
16 however, the Attorney General may authorize a witness or victim of human  
17 trafficking or a material witness or victim in another civil or criminal proceeding to  
18 work in the Commonwealth without regard to this provision.

19           (f) An employer shall not post a job vacancy announcement with the  
20 Department without the intent or present capability to provide a viable wage-paying  
21 job for the worker.

1 (g) This section shall not stay or bar any civil or criminal action in any court.

2 (h) Unauthorized Employment. An employer may not hire a foreign  
3 national worker without first posting the job vacancy on the official CNMI  
4 Department of Labor website and making a good faith effort to recruit a U.S.  
5 Eligible worker, as is required to comply with the CNMI job preference laws. This  
6 ensures that local U.S. eligible workers are given priority for employment  
7 opportunities before positions are offered to foreign national workers.

8 (i) No employer shall employ, permit, or allow any person under the age of  
9 18 to engage in work that is hazardous, detrimental to their health or well-being, or  
10 interferes with their education. Employment of minors shall be strictly regulated in  
11 accordance with CNMI and federal labor laws, and no person under the age of 14  
12 shall be employed in any occupation, except as specifically permitted by law.

13 § 304. Sanctions and Penalties.

14 After hearing pursuant to the Administrative Procedure Act, 1 CMC § 9191  
15 et seq.:

16 (a) Violation of any subsection of 3 CMC § 4931 by an employer shall be  
17 grounds for sanctioning an employer.

18 (b) An employer who knowingly requires or permits a foreign national  
19 worker to pay initial visa application or renewal fees shall be subject to penalties  
20 and shall be reported to the Office of Foreign Labor Certification (OFLC).

1 (c) Violation of 3 CMC § 4937 by failing to provide notice of a reduction  
2 in force shall be grounds for imposition of a fine in the employer of up to two-  
3 thousand dollars for each worker terminated in the reduction in force.

4 (d) Violation of any subsection of 3 CMC § 4963 by an employer shall be  
5 a fine of up to two-thousand dollars for each unlawful action.

6 (e) Failure to comply with the payment terms of an administrative order, in  
7 addition to any penalties or damages imposed in the order, shall be subject to  
8 additional monetary sanctions of up to twenty-five dollars per day until the  
9 obligation is satisfied. Such additional penalties shall be assessed as a sanction  
10 either by the Administrative Hearing Office, or by the Commonwealth Superior  
11 Court pursuant to a civil action filed by the Attorney General.

12 (f) Any fine pursuant to this section shall be imposed by a hearing officer  
13 in an administrative order or by a court in an action filed by the Attorney General.

14 (g) This section shall not stay or bar any civil or criminal action or remedy  
15 in any court of competent jurisdiction.

16 (h) The Secretary or their designee shall submit a quarterly report of non-  
17 compliant businesses to the Department of Finance, Division of Revenue and  
18 Taxation. Failure to comply with the payment terms of an administrative order may  
19 result in the suspension of the business license until the full payment is made.

20 § 305. Required Records.

1           An employer of any worker shall keep, and present immediately upon  
2 demand by the Secretary or a designee, the following information:

3           (a) Personnel records for each worker including the name, current residence  
4 address, age, domicile, citizenship, and point of hire;

5           (b) Payroll records for each worker including the job classification; wage  
6 rate or salary, number of hours worked each week, gross compensation, itemized  
7 deductions, and net payments;

8           (c) Documentation for each worker including tax payment records; and

9           (d) Business license and any other information or documentation required  
10 by regulations.

11           § 306. Fees.

12           (a) The Secretary shall establish fees for the administrative actions to be  
13 taken by the Department under this part.

14           (b) Fees imposed under subsection (a) for providing data not otherwise  
15 published by the Department shall reflect, to the extent practicable, the full  
16 allocated cost of collecting, storing, and delivering the data in usable form.

17           (c) All fees collected pursuant to subsection (a) of this section shall be  
18 deposited into a fund to be known as the CNMI Department of Labor Fund. Funds  
19 provided for in this subsection shall not be subject to reprogramming, and shall be  
20 available without fiscal year limitation. The Secretary shall be the expenditure

1 authority for this account. The Secretary of Finance shall collect the funds and  
2 direct proceeds into three separate accounts as set forth below:

3 (1) Department of Labor Account. All Administrative processing fees  
4 assigned by the Department shall be deposited into this account. This account shall  
5 be used for operations.

6 (2) Administrative Hearing Account. All fees collected for providing  
7 administrative hearing services to other CNMI government entities shall be  
8 deposited into this account. This account shall be used for operations and personnel  
9 in the Administrative Hearing Office.

10 (3) Enforcement Account. All penalties levied in enforcement actions of  
11 the Department of Labor shall be deposited into this account. This account shall be  
12 used for operations and personnel of the Department of Labor.

13 § 307. Required Reports.

14 (a) The Secretary shall prepare and submit to the Governor and the presiding  
15 officers of the Legislature the following written reports:

16 (1) Within one-hundred-twenty days of the end of the government fiscal  
17 year, the Secretary shall prepare an annual report including data regarding the  
18 number of workers employed in the Commonwealth during the year, the citizenship  
19 of the workers, the job classifications filled by the workers; and other information  
20 as appropriate.

1           (2) Pursuant to 3 CMC § 4526(c), the Secretary shall report any exemptions  
2 granted within thirty days after the close of each calendar quarter.

3           (b) Pursuant to 3 CMC § 306(d), no later than ninety days after the end of  
4 the fiscal year, the Secretary of Finance shall prepare and submit to the Governor  
5 and the presiding officers of the Legislature a report on the status of the CNMI  
6 Department of Labor.

7           § 308. Electronic Filing and Access.

8           (a) The Secretary shall establish by regulation a plan for switching from  
9 hard copy filing of documents to electronic filing of documents in order to reduce  
10 paper waste and cost.

11           (b) The Secretary shall establish by regulation a plan for electronic filing  
12 processes, data collection, and storage.”

13           **Section 14. Repeal.** Title 3, Division 4, Part 3 is hereby repealed in its  
14 entirety.

15           **Section 15. Severability.** If any provisions of this Act or the application of  
16 any such provision to any person or circumstance should be held invalid by a court  
17 of competent jurisdiction, the remainder of this Act or the application of its  
18 provisions to persons or circumstances other than those to which it is held invalid  
19 shall not be affected thereby.

20           **Section 16. Savings Clause.** This Act and any repealer contained herein  
21 shall not be construed as affecting any existing right acquired under contract or

1 acquired under statutes repealed or under any rule, regulation, or order adopted  
2 under the statutes. Repealers contained in this Act shall not affect any proceeding  
3 instituted under or pursuant to prior law. The enactment of the Act shall not have  
4 the effect of terminating, or in any way modifying, any liability, civil or criminal,  
5 which shall already be in existence on the date this Act becomes effective.

6 **Section 17. Effective Date.** This Act shall take effect upon its approval by  
7 the Governor, or it becoming law without such approval.

Prefiled: 8/7/25

Date: \_\_\_\_\_

Introduced by: \_\_\_\_\_

  
Rep. Diego V. F. Camacho

Reviewed for legal sufficiency by:

Josh S. [Signature] 8/7/25  
House Legal Counsel

Date: 8/7/25