

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

_____ Regular Session, 2025

H. B. 24-59

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
12 Centers for Medicare & Medicaid Services under the No Surprises Act. Aligning

1 Commonwealth law with these principles will protect consumers, promote fairness,
2 and ensure accountability without conflicting with federal requirements.

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

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

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

9 102. Definitions.

10 (a) “Back billing” means the process of retroactively charging a customer
11 for services or goods previously provided but not billed at the time of
12 delivery.

13 (b) “Service provider” means any entity providing utility,
14 telecommunication, healthcare, or other consumer services within the
15 Commonwealth.

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

18 (d) “Dispute” means a written objection by the customer regarding the
19 accuracy or legitimacy of a back bill.

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

- 4 1. FERC regulations governing electricity and gas billing (18 CFR Part 35)
- 5 2. FCC billing transparency and anti-cramming rules under 47 CFR §
6 64.2400
- 7 3. FDCPA protections under 15 U.S.C. §§ 1692–1692p related to the
8 collection of disputed back bills
- 9 4. No Surprises Act limitations on balance billing in healthcare (42 U.S.C. §
10 300gg-111)
- 11 5. FTC unfair or deceptive billing rules, and
- 12 6. Uniform Commercial Code (UCC) Article 2 and 2A as adopted by CNMI.

13 104. General Limitations on Back Billing.

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

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

18 105. Notice Requirements.

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

1 106. Payment Plans.

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

5 107. Prohibition on Averaging.

6 A service provider shall not estimate or average charges for unbilled
7 periods; all amounts must be based on actual documented usage.

8 108. Exemptions for Negligence.

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

12 109. Dispute Resolution.

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

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

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

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

1 110. Consumer Protections.

2 A service provider is prohibited from:

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

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

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

9 111. Enforcement and Penalties.

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

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

13 (2) Suspension or revocation of the provider's license for repeated
14 violations; and

15 (3) Civil liability as provided under 7 CMC § 2502.”

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

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.

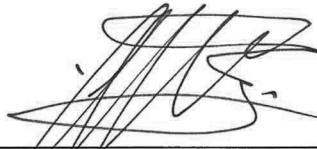
6 **Section 6. Savings Clause.** This Act and any repealer contained herein
7 shall not be construed as affecting any existing right acquired under contract or
8 acquired under statutes repealed or under any rule, regulation, or order adopted
9 under the statutes. Repealers contained in this Act shall 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: 9/4/2025

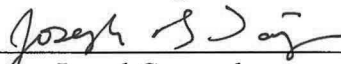
Date: _____

Introduced by: _____



Rep. Vincent R. Aldan

Reviewed for legal sufficiency by:



House Legal Counsel

Date: 9-4-25