

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

Regular Session, 2025

H. B. 24- 62

A BILL FOR AN ACT

To enact a Uniform Electronic Transactions Act to enable a more robust digital economy in the Commonwealth.

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

1 **Section 1. Findings and Purpose.** Strengthening our legal framework is
2 essential if the Commonwealth is to keep pace with how people live, work, and do
3 business today. The Uniform Law Commission approved the Uniform Electronic
4 Transactions Act (UETA) in 1999, and Congress followed in 2000 with the federal
5 Electronic Signatures in Global and National Commerce Act (ESIGN; 15 U.S.C. §
6 7001 et seq.). Yet without a CNMI statute of our own, residents, agencies, and
7 businesses remain uncertain about whether electronic records and signatures will
8 hold up. That uncertainty carries costs, slows service, and keeps us tethered to
9 outdated paper systems.

10 In nearly every U.S. jurisdiction—49 states, the District of Columbia,
11 Puerto Rico, and the Virgin Islands—electronic records and signatures are treated
12 as equal to paper. Only New York has charted a different course, adopting its own
13 electronic signature statute. The principle is simple: what matters is the intent and

1 reliability of the transaction, not the medium in which it is captured. Giving
2 electronic signatures and records the same legal effect as their paper counterparts
3 lowers costs, widens access, and treats residents fairly no matter where they live.

4 Gaps in our law put Commonwealth residents and agencies at a
5 disadvantage. Without uniform rules, some offices insist on paper, others improvise
6 with their own electronic policies, and the result is inconsistency, duplication, and
7 confusion. Businesses and consumers pay the price in delays and added expenses,
8 and agencies cannot fully modernize. Unless the law is brought into line with
9 established national standards, the Commonwealth will continue to face barriers to
10 efficient service and economic growth.

11 Navigating the modern economy requires rules that bring order and
12 predictability to digital dealings. By adopting the Uniform Electronic Transactions
13 Act, the Commonwealth places electronic signatures and records on firm legal
14 ground and joins the vast majority of U.S. jurisdictions that have already acted.
15 This measure gives agencies clear authority to implement secure and practical
16 systems while allowing businesses and citizens the choice to continue with paper if
17 they wish. With its enactment, the Commonwealth promotes efficiency, trust, and
18 growth in both public service and private commerce.

19 **Section 2. Amendment.** Title 4. Economic Resources, Division 5.
20 Business Regulation, of the Commonwealth Code is hereby amended by adding a
21 new Chapter 23, titled, “Uniform Electronic Transactions Act” to be codified as
22 sections 55001 to 55018, to read as follows:

1 **“Chapter 23. Uniform Electronic Transactions Act.**

2 **§55001. Short Title.**

3 This Act may be cited as the Uniform Electronic Transactions Act.

4 **§55002. Definitions.**

5 In this Act:

6 (a) “Agreement” means the bargain of the parties in fact, as found in their
7 language or inferred from other circumstances and from rules, regulations, and
8 procedures given the effect of agreements under laws otherwise applicable to a
9 particular transaction.

10 (b) “Automated transaction” means a transaction conducted or performed,
11 in whole or in part, by electronic means or electronic records, in which the acts or
12 records of one or both parties are not reviewed by an individual in the ordinary
13 course in forming a contract, performing under an existing contract, or fulfilling an
14 obligation required by the transaction.

15 (c) “Commonwealth” means the Commonwealth of the Northern Mariana
16 Islands.

17 (d) “Computer program” means a set of statements or instructions to be used
18 directly or indirectly in an information processing system in order to bring about a
19 certain result.

20 (e) “Contract” means the total legal obligation resulting from the parties’
21 agreement as affected by this Act and other applicable law.

1 (f) "Electronic" means relating to technology having electrical, digital,
2 magnetic, wireless, optical, electromagnetic, or similar capabilities.

3 (g) "Electronic agent" means a computer program or an electronic or other
4 automated means used independently to initiate an action or respond to electronic
5 records or performances in whole or in part, without review or action by an
6 individual.

7 (h) "Electronic record" means a record created, generated, sent,
8 communicated, received, or stored by electronic means.

9 (i) "Electronic signature" means an electronic sound, symbol, or process
10 attached to or logically associated with a record and executed or adopted by a
11 person with the intent to sign the record.

12 (j) "Governmental agency" means an executive, legislative, or judicial
13 agency, department, board, commission, authority, institution, or instrumentality of
14 the Commonwealth, of the federal government, or of a State or of a county,
15 municipality, or other political subdivision of a State.

16 (k) "Information" means data, text, images, sounds, codes, computer
17 programs, software, databases, or the like.

18 (l) "Information processing system" means an electronic system for
19 creating, generating, sending, receiving, storing, displaying, or processing
20 information.

1 (m) "Person" means an individual, corporation, business trust, estate, trust,
2 partnership, limited liability company, association, joint venture, governmental
3 agency, public corporation, or any other legal or commercial entity.

4 (n) "Record" means information that is inscribed on a tangible medium or
5 that is stored in an electronic or other medium and is retrievable in perceivable
6 form.

7 (o) "Security procedure" means a procedure employed for the purpose of
8 verifying that an electronic signature, record, or performance is that of a specific
9 person or for detecting changes or errors in the information in an electronic record.
10 The term includes a procedure that requires the use of algorithms or other codes,
11 identifying words or numbers, encryption, or callback or other acknowledgment
12 procedures.

13 (p) "State" means a State of the United States, the District of Columbia,
14 Puerto Rico, the United States Virgin Islands, or any territory or insular possession
15 subject to the jurisdiction of the United States. The term includes an Indian tribe or
16 band, or Alaskan native village, which is recognized by federal law or formally
17 acknowledged by a State.

18 (q) "Transaction" means an action or set of actions occurring between two
19 or more persons relating to the conduct of business, commercial, or governmental
20 affairs.

21 **§55003. Scope.**

1 (a) Except as otherwise provided in subsection (b), this Act applies to
2 electronic records and electronic signatures relating to a transaction.

3 (b) This Act does not apply to a transaction to the extent it is governed by a
4 law governing the creation and execution of wills, codicils, or testamentary trusts.

5 (c) This Act applies to an electronic record or electronic signature otherwise
6 excluded from the application of this Act under subsection (b) to the extent it is
7 governed by a law other than those specified in subsection (b).

8 (d) A transaction subject to this Act is also subject to other applicable
9 substantive law.

10 (e) This Act shall not apply to transactions involving land, land titles, or
11 leases subject to Article XII of the CNMI Constitution, unless specifically
12 authorized by statute.

13 (f) This Act does not alter requirements for execution of living trusts,
14 durable powers of attorney, or health care directives under CNMI law.

15 **§55004. Prospective Application.**

16 This Act applies to any electronic record or electronic signature created,
17 generated, sent, communicated, received, or stored on or after the effective date of
18 this Act.

19 **§55005. Use of Electronic Records and Electronic Signatures;**
20 **Variation by Agreement.**

1 (a) This Act does not require a record or signature to be created, generated,
2 sent, communicated, received, stored, or otherwise processed or used by electronic
3 means or in electronic form.

4 (b) This Act applies only to transactions between parties each of which has
5 agreed to conduct transactions by electronic means. Whether the parties agree to
6 conduct a transaction by electronic means is determined from the context and
7 surrounding circumstances, including the parties' conduct.

8 (c) A party that agrees to conduct a transaction by electronic means may
9 refuse to conduct other transactions by electronic means. The right granted by this
10 subsection may not be waived by agreement.

11 (d) Except as otherwise provided in this Act, the effect of any of its
12 provisions may be varied by agreement. The presence in certain provisions of this
13 Act of the words "unless otherwise agreed", or words of similar import, does not
14 imply that the effect of other provisions may not be varied by agreement.

15 (e) Whether an electronic record or electronic signature has legal
16 consequences is determined by this Act and other applicable law.

17 **§55006. Construction and Application.**

18 This Act must be construed and applied:

19 (1) to facilitate electronic transactions consistent with other applicable law;

20 (2) to be consistent with reasonable practices concerning electronic
21 transactions and with the continued expansion of those practices; and

1 (3) to effectuate its general purpose to make uniform the law with respect
2 to the subject of this Act among States enacting it.

3 **§55007. Legal Recognition of Electronic Records, Electronic**
4 **Signatures, and Electronic Contracts.**

5 (a) A record or signature may not be denied legal effect or enforceability
6 solely because it is in electronic form.

7 (b) A contract may not be denied legal effect or enforceability solely
8 because an electronic record was used in its formation.

9 (c) If a law requires a record to be in writing, an electronic record satisfies
10 the law.

11 (d) If a law requires a signature, an electronic signature satisfies the law.

12 **§55008. Provision of Information in Writing; Presentation of Records.**

13 (a) If parties have agreed to conduct a transaction by electronic means and
14 a law requires a person to provide, send, or deliver information in writing to another
15 person, the requirement is satisfied if the information is provided, sent, or delivered,
16 as the case may be, in an electronic record capable of retention by the recipient at
17 the time of receipt. An electronic record is not capable of retention by the recipient
18 if the sender or its information processing system inhibits the ability of the recipient
19 to print or store the electronic record.

20 (b) If a law other than this Act requires a record (i) to be posted or displayed
21 in a certain manner, (ii) to be sent, communicated, or transmitted by a specified

1 method, or (iii) to contain information that is formatted in a certain manner, the
2 following rules apply:

3 (1) The record must be posted or displayed in the manner specified
4 in the other law.

5 (2) Except as otherwise provided in subsection (d)(2), the record
6 must be sent, communicated, or transmitted by the method specified in the
7 other law.

8 (3) The record must contain the information formatted in the manner
9 specified in the other law.

10 (c) If a sender inhibits the ability of a recipient to store or print an electronic
11 record, the electronic record is not enforceable against the recipient.

12 (d) The requirements of this section may not be varied by agreement, but:

13 (1) to the extent a law other than this Act requires information to be
14 provided, sent, or delivered in writing but permits that requirement to be
15 varied by agreement, the requirement under subsection (a) that the
16 information be in the form of an electronic record capable of retention may
17 also be varied by agreement; and

18 (2) a requirement under a law other than this Act to send,
19 communicate, or transmit a record by United States mail, may be varied by
20 agreement to the extent permitted by the other law.

21 **§55009. Attribution and Effect of Electronic Record and Electronic**
22 **Signature.**

1 (a) An electronic record or electronic signature is attributable to a person if
2 it was the act of the person. The act of the person may be shown in any manner,
3 including a showing of the efficacy of any security procedure applied to determine
4 the person to which the electronic record or electronic signature was attributable.

5 (b) The effect of an electronic record or electronic signature attributed to a
6 person under subsection (a) is determined from the context and surrounding
7 circumstances at the time of its creation, execution, or adoption, including the
8 parties' agreement, if any, and otherwise as provided by law.

9 **§55010. Effect of Change or Error.**

10 If a change or error in an electronic record occurs in a transmission between
11 parties to a transaction, the following rules apply:

12 (a) If the parties have agreed to use a security procedure to detect changes
13 or errors and one party has conformed to the procedure, but the other party has not,
14 and the nonconforming party would have detected the change or error had that party
15 also conformed, the conforming party may avoid the effect of the changed or
16 erroneous electronic record.

17 (b) In an automated transaction involving an individual, the individual may
18 avoid the effect of an electronic record that resulted from an error made by the
19 individual in dealing with the electronic agent of another person if the electronic
20 agent did not provide an opportunity for the prevention or correction of the error
21 and, at the time the individual learns of the error, the individual:

1 (1) promptly notifies the other person of the error and that the
2 individual did not intend to be bound by the electronic record received by
3 the other person;

4 (2) takes reasonable steps, including steps that conform to the other
5 person's reasonable instructions, to return to the other person or, if
6 instructed by the other person, to destroy the consideration received, if any,
7 as a result of the erroneous electronic record; and

8 (3) has not used or received any benefit or value from the
9 consideration, if any, received from the other person.

10 (c) If neither subsection (a) nor subsection (b) applies, the change or error
11 has the effect provided by other law, including the law of mistake, and the parties'
12 contract, if any.

13 (d) Subsections (b) and (c) may not be varied by agreement.

14 **§55011. Notarization and Acknowledgment.**

15 If a law requires a signature or record to be notarized, acknowledged,
16 verified, or made under oath, the requirement is satisfied if the electronic signature
17 of the person authorized to perform those acts, together with all other information
18 required to be included by other applicable law, is attached to or logically
19 associated with the signature or record.

20 **§55012. Retention of Electronic Records; Originals.**

21 (a) If a law requires that a record be retained, the requirement is satisfied by
22 retaining an electronic record of the information in the record which:

1 (1) accurately reflects the information set forth in the record after it
2 was first generated in its final form as an electronic record or otherwise; and

3 (2) remains accessible for later reference.

4 (b) A requirement to retain a record in accordance with subsection (a) does
5 not apply to any information the sole purpose of which is to enable the record to be
6 sent, communicated, or received.

7 (c) A person may satisfy subsection (a) by using the services of another
8 person if the requirements of that subsection are satisfied.

9 (d) If a law requires a record to be presented or retained in its original form,
10 or provides consequences if the record is not presented or retained in its original
11 form, that law is satisfied by an electronic record retained in accordance with
12 subsection (a).

13 (e) If a law requires retention of a check, that requirement is satisfied by
14 retention of an electronic record of the information on the front and back of the
15 check in accordance with subsection (a).

16 (f) A record retained as an electronic record in accordance with subsection
17 (a) satisfies a law requiring a person to retain a record for evidentiary, audit, or like
18 purposes, unless a law enacted after the effective date of this Act specifically
19 prohibits the use of an electronic record for the specified purpose.

20 (g) This section does not preclude a governmental agency of this
21 Commonwealth from specifying additional requirements for the retention of a
22 record subject to the agency's jurisdiction.

1 **§55013. Admissibility in Evidence.**

2 In a proceeding, evidence of a record or signature may not be excluded
3 solely because it is in electronic form. Such admissibility shall remain subject to
4 the CNMI Rules of Evidence regarding authentication.

5 **§55014. Automated Transaction.**

6 In an automated transaction, the following rules apply:

7 (a) A contract may be formed by the interaction of electronic agents of the
8 parties, even if no individual was aware of or reviewed the electronic agents'
9 actions or the resulting terms and agreements.

10 (b) A contract may be formed by the interaction of an electronic agent and
11 an individual, acting on the individual's own behalf or for another person, including
12 by an interaction in which the individual performs actions that the individual is free
13 to refuse to perform and which the individual knows or has reason to know will
14 cause the electronic agent to complete the transaction or performance.

15 (c) The terms of the contract are determined by the substantive law
16 applicable to it.

17 **§55015. Time and Place of Sending and Receipt.**

18 (a) Unless otherwise agreed between the sender and the recipient, an
19 electronic record is sent when it:

20 (1) is addressed properly or otherwise directed properly to an
21 information processing system that the recipient has designated or uses for

1 the purpose of receiving electronic records or information of the type sent
2 and from which the recipient is able to retrieve the electronic record;

3 (2) is in a form capable of being processed by that system; and

4 (3) enters an information processing system outside the control of
5 the sender or of a person that sent the electronic record on behalf of the
6 sender or enters a region of the information processing system designated
7 or used by the recipient which is under the control of the recipient.

8 (b) Unless otherwise agreed between a sender and the recipient, an
9 electronic record is received when:

10 (1) it enters an information processing system that the recipient has
11 designated or uses for the purpose of receiving electronic records or
12 information of the type sent and from which the recipient is able to retrieve
13 the electronic record; and

14 (2) it is in a form capable of being processed by that system.

15 (c) Subsection (b) applies even if the place the information processing
16 system is located is different from the place the electronic record is deemed to be
17 received under subsection (d).

18 (d) Unless otherwise expressly provided in the electronic record or agreed
19 between the sender and the recipient, an electronic record is deemed to be sent from
20 the sender's place of business and to be received at the recipient's place of business.

21 For purposes of this subsection, the following rules apply:

1 (1) If the sender or recipient has more than one place of business,
2 the place of business of that person is the place having the closest
3 relationship to the underlying transaction.

4 (2) If the sender or the recipient does not have a place of business,
5 the place of business is the sender's or recipient's residence, as the case may
6 be.

7 (e) An electronic record is received under subsection (b) even if no
8 individual is aware of its receipt.

9 (f) Receipt of an electronic acknowledgment from an information
10 processing system described in subsection (b) establishes that a record was received
11 but, by itself, does not establish that the content sent corresponds to the content
12 received.

13 (g) If a person is aware that an electronic record purportedly sent under
14 subsection (a), or purportedly received under subsection (b), was not actually sent
15 or received, the legal effect of the sending or receipt is determined by other
16 applicable law. Except to the extent permitted by the other law, the requirements of
17 this subsection may not be varied by agreement.

18 **§55016. Transferable Record.**

19 (a) In this section, "transferable record" means an electronic record that:

20 (1) would be a note under 5 CMC § 3104 or a document of title
21 under 5 CMC § 1201 if the electronic record were in writing; and

1 (2) the issuer of the electronic record expressly has agreed is a
2 transferable record.

3 (b) A person has control of a transferable record if a system employed for
4 evidencing the transfer of interests in the transferable record reliably establishes
5 that person as the person to which the transferable record was issued or transferred.

6 (c) A system satisfies subsection (b), and a person is deemed to have control
7 of a transferable record, if the transferable record is created, stored, and assigned in
8 such a manner that:

9 (1) a single authoritative copy of the transferable record exists which
10 is unique, identifiable, and, except as otherwise provided in subsection (c)
11 (4), (5), and (6), unalterable;

12 (2) the authoritative copy identifies the person asserting control as:

13 (A) the person to which the transferable record was issued;

14 or

15 (B) if the authoritative copy indicates that the transferable
16 record has been transferred, the person to which the transferable
17 record was most recently transferred.

18 (3) the authoritative copy is communicated to and maintained by the
19 person asserting control or its designated custodian;

20 (4) copies or revisions that add or change an identified assignee of
21 the authoritative copy can be made only with the consent of the person
22 asserting control;

1 (5) each copy of the authoritative copy and any copy of a copy is
2 readily identifiable as a copy that is not the authoritative copy; and

3 (6) any revision of the authoritative copy is readily identifiable as
4 authorized or unauthorized.

5 (d) Except as otherwise agreed, a person having control of a transferable
6 record is the holder, as defined in 5 CMC § 1201 (20), of the transferable record
7 and has the same rights and defenses as a holder of an equivalent record or writing
8 under the Uniform Commercial Code, including, if the applicable statutory
9 requirements under the Uniform Commercial Code are satisfied, the rights and
10 defenses of a holder in due course, a holder to which a negotiable document of title
11 has been duly negotiated, or a purchaser, respectively. Delivery, possession, and
12 indorsement are not required to obtain or exercise any of the rights under this
13 subsection.

14 (e) Except as otherwise agreed, an obligor under a transferable record has
15 the same rights and defenses as an equivalent obligor under equivalent records or
16 writings under the Uniform Commercial Code.

17 (f) If requested by a person against which enforcement is sought, the person
18 seeking to enforce the transferable record shall provide reasonable proof that the
19 person is in control of the transferable record. Proof may include access to the
20 authoritative copy of the transferable record and related business records sufficient
21 to review the terms of the transferable record and to establish the identity of the
22 person having control of the transferable record.

1 **§55017. Creation and Retention of Electronic Records and Conversion**
2 **of Written Records by Governmental Agencies.**

3 All departments, agencies, and instrumentalities of the Commonwealth,
4 including public corporations, shall determine whether, and the extent to which,
5 they will create and retain electronic records and convert written records to
6 electronic records.

7 **§55018. Acceptance and Distribution of Electronic Records by**
8 **Governmental Agencies.**

9 (a) Except as otherwise provided in §55012(f), a department, agency, or
10 instrumentality of the Commonwealth, including a public corporation, shall
11 determine whether, and the extent to which, it will send and accept electronic
12 records and electronic signatures to and from other persons and otherwise create,
13 generate, communicate, store, process, use, and rely upon electronic records and
14 electronic signatures.

15 (b) To the extent that a department, agency, or instrumentality of the
16 Commonwealth, including a public corporation, uses electronic records and
17 electronic signatures under subsection (a), it, giving due consideration to security,
18 may specify:

19 (1) the manner and format in which the electronic records must be
20 created, generated, sent, communicated, received, and stored and the
21 systems established for those purposes;

1 (2) if electronic records must be signed by electronic means, the type
2 of electronic signature required, the manner and format in which the
3 electronic signature must be affixed to the electronic record, and the identity
4 of, or criteria that must be met by, any third party used by a person filing a
5 document to facilitate the process;

6 (3) control processes and procedures as appropriate to ensure
7 adequate preservation, disposition, integrity, security, confidentiality, and
8 auditability of electronic records, including minimum encryption,
9 authentication, and audit trail requirements for electronic records of
10 financial, land, or health-related significance; and

11 (4) any other required attributes for electronic records which are
12 specified for corresponding nonelectronic records or reasonably necessary
13 under the circumstances.

14 (c) Except as otherwise provided in §55012(f), this Act does not require a
15 department, agency, or instrumentality of the Commonwealth, including a public
16 corporation, to use or permit the use of electronic records or electronic signatures.

17 (d) The Secretary of Commerce, in consultation with the Office of the
18 Attorney General, shall:

19 1) promulgate uniform standards and security procedures for all
20 Commonwealth agencies to ensure consistency in the acceptance and use of
21 electronic records and signatures; and

1 2) promulgate implementing standards and security procedures
2 within 120 days of enactment to ensure this Act can be implemented upon
3 its effective date.”

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

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

16 **Section 5. Effective Date.** This Act shall take effect 180 days after its
17 approval by the Governor, or its becoming law without such approval.

Prefiled: 9/29/2025

Date: _____

Introduced by: _____

Rep. Vincent S. Aldan

Reviewed for Legal Sufficiency by:

Joseph S. Day 9/29/25
House Legal Counsel