

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

Regular Session, 2025

H. B. 24-05

A BILL FOR AN ACT

To transfer the function of business licensing from the Department of Finance to the Department of Commerce; and for other purposes.

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

1           **Section 1. Short Title.** This Act shall be referred to as the “Business  
2 Licensing Processing Act of 2025”.

3           **Section 2. Findings and Purpose.** The Legislature finds that transferring  
4 the function of business licensing from the Department of Finance back to the  
5 Department of Commerce, with clear procedures and timelines, will ensure a  
6 smooth transition and improve service delivery. This transfer aims to streamline  
7 processes, promote transparency, and support economic growth by establishing a  
8 centralized licensing system within the Department of Commerce, with effective  
9 inter-agency collaboration.

10           **Section 3. Amendment.** Title 1, Government, Division 2, Executive  
11 Branch, Part 1, Organization of the Executive Branch, Chapter 11, Department of  
12 Finance, Article 1, General, Section 2553 of the Commonwealth Code is hereby

1 amended to read as follows:

2 **“§ 2553. Department of Finance: Duties and Responsibilities.**

3 (a) To collect and deposit all locally raised revenues from any source,  
4 including taxes, custom duties, excise tax revenues, ~~license fees~~ and payment for  
5 services;

6 (b) To receive and deposit all funds from the federal government;

7 (c) To establish and maintain the books of accounts of the Commonwealth;

8 (d) To manage trust and retirement funds and related receipts of the  
9 Commonwealth;

10 (e) Unless otherwise provided by law, to establish and maintain special  
11 revenue and disbursement accounts on behalf of Commonwealth public  
12 corporations;

13 (f) To select the bank or banks in which Commonwealth funds are to be  
14 deposited;

15 (g) To disburse funds pursuant to authority of law;

16 (h) To provide financial data to the Governor, legislature and departments,  
17 agencies and instrumentalities of the Commonwealth, and to conduct all related  
18 financial management activities of the Commonwealth other than the preparation  
19 of the budget of the Commonwealth and post-audit functions;

20 (i) To be responsible for customs and baggage inspection and other related  
21 matters;

1 (j) To be in control of and be responsible for procurement and supply in the  
2 Commonwealth; and

3 (k) To promptly pay and disburse funds and payment for outstanding  
4 obligations, excluding tort obligations, owed by the Commonwealth to vendors,  
5 suppliers and other individuals whom the Commonwealth has a legal obligation to  
6 pay. The payment shall be authorized, or documented as to why payment cannot be  
7 authorized, no later than 30 days. The unpaid balance of any indebtedness of the  
8 Commonwealth shall accrue interest equal to the amount set in 4 CMC § 1817 on  
9 the unpaid balance until the indebtedness, plus interest, is paid in full.

10 ~~(l) To license businesses pursuant to 4 CMC § 5611. Except as otherwise~~  
11 ~~provided by law, the Department of Finance shall not issue or cause to be issued~~  
12 ~~any business license for the purpose of garment manufacturing. The department, as~~  
13 ~~a condition of issuing a business license or renewal thereof, may require proof of a~~  
14 ~~tax clearance from the Division of Revenue and Taxation. The department may~~  
15 ~~disclose the contents of the business license application to the public, however, it~~  
16 ~~shall not disclose "return" or "return information" as that term is defined in the~~  
17 ~~Northern Mariana Territorial Income Tax (NMTIT) code section 6103. The~~  
18 ~~Secretary of Finance shall have the authority to promulgate rules and regulations~~  
19 ~~for the purpose of carrying out this provision.~~

20 ~~(m) To suspend, revoke or deny the issuance of business licenses in~~  
21 ~~accordance with the Administrative Procedure Act (1 CMC § 9101 et seq.) due to~~

1 ~~non-compliance with CNMI laws, including, but not limited to the reporting and~~  
2 ~~payment of taxes. The Secretary of Finance shall have the authority to promulgate~~  
3 ~~rules and regulations for the purpose of carrying out this provision.”~~

4       **Section 4. Amendment.** Title 1, Government, Division 2, Executive  
5 Branch, Chapter 9, Department of Commerce, Article 1, General, Section 2453 of  
6 the Commonwealth Code is hereby amended by adding three new subsections (g),  
7 (h), and (i) to read as follows:

8       “(g) To license businesses in accordance with Title 4, Economic Resources,  
9 Division 5, Business Regulation, Chapter 6, Business Licenses, Article 1, Fees and  
10 Administration, Section 5611. Except as otherwise provided by law, the  
11 Department of Commerce shall not issue or cause to be issued any business license  
12 for the purpose of garment manufacturing. As a condition of issuing or renewing a  
13 business license, the department may require proof of a tax clearance from the  
14 Division of Revenue and Taxation. The department may disclose the contents of  
15 the business license application to the public; however, it shall not disclose "return"  
16 or "return information," as defined in the Northern Mariana Territorial Income Tax  
17 (NMTIT) code section 6103. The Secretary of Commerce is empowered to  
18 promulgate rules and regulations necessary to carry out this provision.

19       (h) To suspend, revoke, or deny the issuance of business licenses in  
20 accordance with the Administrative Procedure Act (Title 1, Government, Division  
21 9, Miscellaneous, Chapter 1, Administrative Procedure Act, Section 9101 et seq.),

1 due to non-compliance with CNMI laws, including but not limited to the reporting  
2 and payment of taxes. The Secretary of Commerce shall have the authority to  
3 establish rules and regulations to implement this provision.

4 (i) The Department of Finance and the Department of Commerce shall  
5 cooperate fully during the transition to facilitate the transfer of licensing  
6 responsibilities, including sharing relevant data, records, and systems. These  
7 agencies shall establish a formal memorandum of agreement within thirty (30) days  
8 of the Act's effective date to define roles, responsibilities, and data sharing  
9 protocols. Additionally, the memorandum shall address procedures for pending  
10 license applications, appeals, and associated fees to ensure that no business faces  
11 unnecessary disruptions or delays during the transition. Both departments shall  
12 coordinate to transfer all pending applications, pending appeals, and related fee  
13 processing to ensure a seamless continuation of licensing operations without  
14 interruption or administrative setbacks.”

15 **Section 5. Amendment.** Title 4, Economic Resources, Division 5,  
16 Business Regulation, Chapter 6, Business Licenses, Article 1, Fees and  
17 Administration, Section 5611 of the Commonwealth Code is hereby amended to  
18 read as follows:

19 **“§ 5611. Business License Fees.**

1 (a) Business License Required. Before engaging in or continuing in a  
2 business, a person shall first obtain from the Secretary of the Department of ~~Finance~~  
3 Commerce a license to engage in or conduct that business.

4 (b) A business shall be required to purchase one general business license for  
5 each line of business for each location in the Commonwealth.

6 (c) Terms. Licenses issued under this section are valid for one year and are  
7 not transferable.

8 (1) Temporary licenses may be issued for public and community events  
9 for not more than thirty consecutive days. Temporary licenses shall not be  
10 transferred nor renewed.

11 (d) Fees. Annual and Temporary license fees and late fees shall be  
12 established by regulation promulgated by the Secretary of ~~Finance~~ Commerce.

13 (e) Renewal. A licensee may renew a license upon its expiration by the  
14 payment of the annual license fee.

15 (f) All businesses licensed under this section shall only do business under  
16 the name duly licensed and shall advertise this name in romanized lettering in  
17 addition to any other lettering.

18 (g) Conditions for Revocation or Suspension.

19 (1) The Secretary of the Department of ~~Finance~~ Commerce may revoke  
20 or suspend any license issued under this section upon finding after two

1 weeks public notice and a hearing conducted pursuant to 1 CMC §§ 9108-  
2 9111 that:

3 (i) The application of the licensee contained false or fraudulent  
4 information;

5 (ii) The licensee bribed or otherwise unlawfully influenced any  
6 person to issue the permit other than on the merits of the application;

7 (iii) The licensee presented false or fraudulent information to any  
8 person in support of his application;

9 (iv) The licensee violated subsection (f) of this section; or

10 (v) The licensee violated any provision of Commonwealth law,  
11 including but not limited to non-compliance with the tax laws, or any  
12 rule or regulation issued thereunder.

13 (2) Any person aggrieved by a license suspension or revocation shall be  
14 entitled to a review of the same by the Commonwealth Superior Court upon  
15 written appeal made within 30 days from the date the license suspension or  
16 revocation decision is issued. Such review shall be brought pursuant to 1  
17 CMC §§ 9112 and 9113.

18 (h) Unless the Secretary of ~~Finance~~ Commerce provides otherwise, this  
19 section shall not effect public health or alcoholic beverage control licensing.

20 (i) There is hereby established a revolving account for the Department of  
21 Commerce for which the Secretary of Commerce shall have expenditure authority.

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1 The account shall be established by the Department of Finance and the account  
2 shall serve strictly to pay for the Department of Commerce's annual membership  
3 dues to the National Association of Insurance Commissioners. Fees collected under  
4 subsection (d)(4) above shall be deposited into the revolving account to accumulate  
5 enough funds to cover for the annual membership dues. Any funding lapses from  
6 this account shall be transferred to the CNMI general fund.”

7 **Section 6. Amendment.** Title 4, Economic Resources, Division 5,  
8 Business Regulation, Chapter 6, Business Licenses, Article 1, Fees and  
9 Administration, Section 5612 of the Commonwealth Code is hereby amended to  
10 read as follows:

11 **“§ 5612. Authority to Make Inquiry.**

12 (a) The Secretary of ~~Finance~~ Commerce is authorized to enter the premises  
13 of any establishment conducting business within the CNMI to make any inquiry  
14 into the establishment's compliance with the business licensing requirements under  
15 this chapter.

16 (b) The authority given to enter the premises under subsection (a) of this  
17 section shall be carried out during normal business hours. If the secretary finds it is  
18 not practical to perform its duties during normal working hours, the action  
19 authorized under subsection (a) of this section may be carried out at any reasonable  
20 hour as determined by the ~~secretary~~ Secretary of Commerce.”

21 **Section 7. Amendment.** Title 4, Economic Resources, Division 5, Business

1 Regulation, Chapter 6, Business Licenses, Article 1, Fees and Administration,  
2 Section 5613 of the Commonwealth Code is hereby amended to read as follows:

3 **“§ 5613. Penalty for Violation of Business License Requirements.**

4 (a) Any person found operating or engaging in a business to sell  
5 merchandise, goods, or commodities, or providing services for compensation  
6 without a valid business license shall be subject to a penalty of \$1500.00 and upon  
7 written notice to a person under subsection (c) of this section, any continual  
8 violation shall subject the person to an additional penalty of \$250.00 per day for  
9 every additional day that the person is in violation of the business license  
10 provisions.

11 (b) The agency action provided for in subsection (a) of this section shall  
12 subject to Administrative Procedure Act, 1 CMC §§ 9101 et seq. Provided further,  
13 the secretary is also hereby granted authority to issue citations to any person found  
14 in violation of this Act.

15 (c) The ~~secretary~~ Secretary of Commerce is hereby granted authority to  
16 issue a cease and desist order to any person found in violation of the requirement  
17 to obtain a business license pursuant to 4 CMC § 5611(a). Any order shall be  
18 effective immediately upon its issuance and shall ~~be effective~~ remain in effect until  
19 the violation is cured.

20 A person may appeal the order to cease operations and if so, shall produce  
21 a refundable bond in the amount of \$500.00 to allow for continued business

1 operations pending the hearing under Administrative Procedure Act, 1 CMC §§  
2 9101 et seq. provided that the \$500.00 shall be forfeit if the party does not prevail  
3 at said hearing.

4 Any person subject to a cease and desist order or a license action under this  
5 section shall be afforded due process as outlined in Title 4, Economic Resources,  
6 Division 5, Business Regulation, Chapter 6, Business Licenses, Article 1, Fees and  
7 Administration, Section 5613 (c) (1) of this Act.

8 (1) Due Process for License Suspension, Revocation, or Cease and  
9 Desist Orders:

10 (i) Any person subject to a license suspension, revocation, or a  
11 cease and desist order shall have the right to an  
12 administrative hearing before a neutral hearing officer  
13 within thirty (30) days of the notice of such action.

14 (ii) The hearing shall be conducted in accordance with the  
15 Administrative Procedure Act (Title 1, Government,  
16 Division 9, Miscellaneous Provisions, Chapter 1,  
17 Administrative Procedure Act, Section 9101 et seq.).

18 (iii) A person shall have the right to legal representation and to  
19 present evidence at the hearing.



1 be operational within twelve (12) months of the effective date of this Act and shall  
2 be accessible to all licensed businesses.”

3       **Section 9. Severability.** If any provisions of this Act or the application of  
4 any such provision to any person or circumstance should be held invalid by a court  
5 of competent jurisdiction, the remainder of this Act or the application of its  
6 provisions to persons or circumstances other than those to which it is held invalid  
7 shall not be affected thereby.

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

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

Prefiled: 10.01.2025

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

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

  
Rep. Thomas John DLC. Manglona

Reviewed for legal sufficiency by:

Joseph S. Day  
House Legal Counsel

Date: 9-30-25