

**TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH**

**LEGISLATURE**

**IN THE HOUSE OF REPRESENTATIVES**

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**Regular Session, 2025**

**H. B. 24- 66**

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**A BILL FOR AN ACT**

To regulate advisory and consulting engagements with the Commonwealth by requiring compliance with procurement laws, Attorney General approval, and Public Auditor oversight; to impose a \$50,000.00 cap per engagement; to establish priority qualifications; to void non-compliant contracts; to provide remedies and penalties for violations; and to sunset this Act after five years.

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

1           **Section 1. Short Title:** This Act shall be known and may be cited as the  
2           “Public Procurement Integrity and Advisor Accountability Act of 2025”.

3           **Section 2. Findings and Purpose:** Procurement law in the Commonwealth  
4           requires that all public contracts comply with uniform procedures, and no  
5           agreement is valid unless it conforms to those statutory and regulatory standards.  
6           The Attorney General is specifically charged with reviewing and approving all  
7           contracts as to form and legality, and the Office of the Public Auditor has  
8           constitutional and statutory authority to audit procurement compliance and the  
9           disbursement of public funds.

10           Accountability is compromised when informal engagements, oral  
11           agreements, or uncompensated advisory arrangements occur within executive

1 branch agencies, departments, boards, or commissions. Such practices risk  
2 violating procurement law, undermine transparency, expose the Commonwealth to  
3 fiscal and legal liability, and interfere with oversight. To prevent these dangers, the  
4 Legislature establishes a maximum contract value of fifty thousand dollars  
5 (\$50,000.00) for any advisory engagement, a limit comparable to rates in other  
6 similarly situated jurisdictions and one that ensures fiscal responsibility. Priority is  
7 also given to economists and CNMI scholars with a master's degree in political  
8 science to foster local talent, attract skilled advisors, and support the rebuilding of  
9 the Commonwealth during this period of economic recovery.

10         Constitutional principles require that no contract may bind the  
11 Commonwealth without proper expenditure authority under Articles II and III of  
12 the Constitution. This Act reinforces that mandate by prohibiting executive branch  
13 agencies, departments, boards, and commissions from authorizing salaries or  
14 payments in excess of the statutory fifty thousand dollar (\$50,000.00) limit, thereby  
15 preserving separation of powers and legislative control over appropriations.

16         Transparency is strengthened by requiring agencies to maintain public  
17 registers of advisory engagements and submit quarterly reports subject to audit by  
18 the Office of the Public Auditor. The Act also provides civil and criminal penalties  
19 consistent with statutory procedures in Title 4 of the Commonwealth Code, and it  
20 includes a five-year sunset provision to ensure future legislative review. Together,  
21 these safeguards limit financial and contractual authority to lawful bounds,

1 guarantee the validity of public contracts, preserve oversight, and encourage skilled  
2 local professionals to contribute to the advancement of the Commonwealth.

3       **Section 3. Enactment.** Subject to codification by the CNMI Law Revision  
4 Commission, the following provisions are hereby enacted into law:

5       “Section 101. Definitions. For the purpose of this Act, the following terms  
6 shall have the meanings ascribed to them in this section:

7       (a) "Agency" includes any executive branch, agency, department, board, or  
8 commission of the Commonwealth.

9       (b) "Advisor" means any individual or entity engaged to provide policy  
10 advice, technical assistance, research, analysis, or similar advisory services to an  
11 Agency, whether compensated or uncompensated.

12       (c) "Economist" means an individual with formal training in economics  
13 and/or advanced degree in economics.

14       (d) "CNMI Scholar" means an individual who is a citizen or permanent  
15 resident of the CNMI and holds a master's degree from an accredited institution.

16       (e) "Contract" means a written agreement signed by the authorized  
17 Commonwealth official(s), prepared/executed in accordance with applicable CNMI  
18 procurement statutes and regulations, and subject to the Not-to-Exceed amount  
19 specified in this Act.

1 (f) "Procurement Regulations" means the Commonwealth procurement  
2 regulations applicable to the Agency involved, including Subchapter 70-30.3 (Title  
3 70) and agency-specific regulations.

4 Section 102. Consultant Engagement Services.

5 (a) Authorization of Engagement. The Secretary of Finance, or designated  
6 department head, is authorized to engage consultants to provide  
7 professional, technical, or advisory services as necessary to support the  
8 functions of the department. Each engagement shall be established by a  
9 written agreement specifying:

- 10 1. Scope of services;
- 11 2. Duration and deliverables;
- 12 3. Compensation; and
- 13 4. Performance standards.

14 (b) Applicable law: Each engagement shall comply with the following:

- 15 1. The CNMI Procurement Regulations, Title 70 of the Commonwealth  
16 Administrative Code (NMIAC 70-30.3)
- 17 2. Applicable labor laws; and
- 18 3. Any relevant federal funding requirements.

19 (c) Consultants shall not be considered employees of the Commonwealth for  
20 any purpose, including retirement, health, or benefits coverage, unless  
21 expressly provided by law.

1 Section 103. Scope of Engagement.

2 (a) Each consultant engagement shall constitute a discrete assignment.

3 Engagements shall prioritize projects that:

4 1. Advance economic development;

5 2. Promote tourism management and hospitality practices;

6 3. Enhance social services programs.

7 (b) Consultants may provide the following:

8 1. Strategic planning, market analysis, and policy recommendations;

9 2. Best practices, operational guidance, or capacity-building support;

10 3. Design, evaluation, or implementation support for social service  
11 programs;

12 4. Research, training, or technical assistance within their area of expertise.

13 (c) Priority shall be given to individuals with advanced degrees in business  
14 disciplines (finance, management, economics, marketing, entrepreneurship), and  
15 off-island scholars may participate as digital nomads, subject to secure access,  
16 departmental operational requirements, and concurrence by the CNMI Scholarship  
17 and Financial Assistance Office verifying legal qualification to engage in  
18 consultancy services.

19 (d) At least twenty-five percent (25%) of engagements shall be reserved for  
20 qualified CNMI-based professionals meeting the same eligibility standards. The  
21 Secretary shall implement a staggered engagement schedule to ensure no more than

1 6 consultants are engaged concurrently, to reduce administrative burden and  
2 optimize departmental oversight. For good cause shown, this limit may be  
3 increased at the sole discretion of the Secretary with written notice to the Presiding  
4 Officers of the CNMI Legislature certifying that the hiring of a consultant above  
5 the limit is needed for the benefit of the Commonwealth.

6 (e) Off-island scholars performing as digital nomads shall comply with  
7 mandatory technology and integration protocols, including:

- 8 1. Secure access to CNMI systems;
- 9 2. Regular virtual meetings with local staff;
- 10 3. Submission of electronic deliverables according to the engagement  
11 timeline;
- 12 4. Participation in quarterly project reviews.

13 (f) Consultants shall be compensated per engagement, with fees and  
14 reimbursement of expenses documented in the engagement agreement.  
15 Compensation for any single engagement shall not exceed fifty  
16 thousand dollars (\$50,000.00). Engagement agreements may specify a  
17 price range for services but must not exceed the maximum.

18 (g) Payment shall be subject to:

- 19 1. Availability of appropriated funds;
- 20 2. Compliance with CNMI fiscal laws, including proper accounting,  
21 reporting, and audit requirements; and

1           3. Any applicable federal funding restrictions, including prioritization of  
2           federal funds before local funds, where required.

3           Section 104. Accountability and Reporting.

4           (a) Consultants shall submit a written report at the conclusion of each  
5           engagement detailing:

- 6           1. Services rendered;
- 7           2. Findings; and
- 8           3. Recommendations.

9           (b) The Secretary shall maintain complete records of all engagements,  
10          compensation, and expenditures in accordance with:

- 11          1. CNMI Public Financial Management Act;
- 12          2. CNMI Constitution
- 13          3. Any relevant federal reporting obligations.

14          Section 105. Termination. Any engagement may be terminated for cause or  
15          convenience by the Secretary, consistent with the terms of the engagement  
16          agreement. Termination shall not create obligations beyond compensation earned  
17          per engagement prior to termination, which shall in no case exceed the not-to-  
18          exceed limit specified.

19          Section 106. Non-Discrimination and Compliance. All consultant  
20          engagements shall be conducted without discrimination based on race, sex,

1 religion, disability, national origin, or political affiliation, in compliance with  
2 CNMI and federal anti-discrimination laws, including:

3 (a) Title VII of the Civil Rights Act;

4 (b) CNMI Human Rights Act provisions.

5 Section 107. Prohibition – Validity of Engagements; Requirement of Proper  
6 Contract; Not-to-Exceed Amount; Priority Order; Limitation on Legal Action;  
7 Salary Cap.

8 (a) No agency, department, board, commission, officer, employee, or  
9 person acting on behalf of the Commonwealth shall:

10 (1) Permit an Advisor to perform advisory, policy, or consulting  
11 services unless engaged under a written Contract that:

12 (i) Complies with Procurement Regulations;

13 (ii) Is reviewed/prepared by the contracting officer;

14 (iii) Is certified by the Attorney General; and

15 (iv) Does not exceed fifty thousand dollars (\$50,000.00), except that  
16 any contract above this amount shall require the written approval  
17 of the Attorney General, who shall certify that the engagement  
18 is legally sufficient, necessary, and in the best interest of the  
19 Commonwealth.

20 (2) Rely upon or accept deliverables from an Advisor not engaged under  
21 such a Contract.

- 1 (b) Priority Engagement:
- 2 (1) First priority: CNMI Scholars with advanced training or degree in
- 3 Economics.
- 4 (2) Second priority: CNMI Scholars with an emphasis in Business
- 5 Administration and/or Tourism Management Degrees.
- 6 (c) Any engagement not compliant with Procurement Regulations,
- 7 Attorney General review, or exceeding the Fifty Thousand Dollars
- 8 (\$50,000.00) limit is void and unenforceable.
- 9 (d) Limitation on Legal Action:
- 10 (1) Only authorized expenditure authorities or officials may bind the
- 11 Commonwealth; accordingly, other actions are presumptively *ultra*
- 12 *vires*.
- 13 Section 108. Disclosure, Filing, and Audit Reporting.
- 14 (a) Agencies, departments, boards, and commissions shall maintain a
- 15 public register of all Advisors, including name, scope, contract dates,
- 16 contract value, and procurement method.
- 17 (b) Registers must be posted publicly and provided quarterly to the Office
- 18 of the Public Auditor.
- 19 (c) Noncompliant engagements must be reported immediately to the
- 20 Attorney General and the Office of the Public Auditor.
- 21 Section 109. Remedies, Administrative Sanctions, and Restitution.

1 (a) Agencies must terminate noncompliant engagements and pursue  
2 administrative remedies, including fund recovery, suspension of  
3 responsible officials, and personnel discipline.

4 (b) Civil penalties: Up to Ten Thousand Dollars (\$10,000.00) per violation  
5 for officials knowingly authorizing noncompliant engagements.

6 (c) Any engagement exceeding Fifty Thousand Dollars (\$50,000.00)  
7 triggers immediate termination, nullification, and possible civil liability.

8 (d) Attempts by agencies, departments, boards, or commissions to exceed  
9 Fifty Thousand Dollars (\$50,000.00) are unauthorized acts, subject to  
10 civil and administrative sanctions.

11 Section 110. Criminal Penalties and Restitution. Any person who  
12 knowingly and willfully authorizes or executes a contract or obligation in  
13 circumvention of procurement law, or in excess of the authorized expenditure  
14 authority, where such action causes obligations exceeding Five Thousand Dollars  
15 (\$5,000.00), commits a petty misdemeanor punishable by imprisonment of not  
16 more than six (6) months, or a fine not exceeding Two Thousand Dollars  
17 (\$2,000.00), or both.

18 In addition to any criminal penalty imposed, the court shall order full  
19 restitution to the Commonwealth equal to the amount of any unlawful obligation or  
20 expenditure caused by the violation. Restitution under this section shall be

1 mandatory, enforceable as a civil judgment, and shall not be construed as a criminal  
2 fine for purposes of determining the right to a jury trial.

3 Section 111. Attorney General Authority and Certification. No contract is  
4 effective against the Commonwealth, including agencies, departments, boards, or  
5 commissions, until reviewed and certified by the Attorney General.

6 Section 112. Office of the Public Auditor Oversight.

7 (a) The Office of the Public Auditor shall audit and review advisory  
8 engagements and contracts of all agencies, departments, boards, and  
9 commissions.

10 (b) Agencies shall provide all requested documents, including contract,  
11 emails, invoices, and deliverables.

12 Section 113. Regulations. The Department of Finance, in coordination with  
13 the Attorney General and the Office of the Public Auditor, shall issue implementing  
14 regulations, including templates, public registers, reporting procedures, penalties,  
15 enforcement procedures, and priority rules.”

16 **Section 4. Sunset Provision.** This Act shall expire five (5) years from its  
17 effective date, unless renewed by the Legislature after review. Any contract or  
18 engagement entered into prior to the expiration of this Act shall remain valid and  
19 enforceable until its stated term of performance, and shall not be affected by the  
20 sunset of this Act.

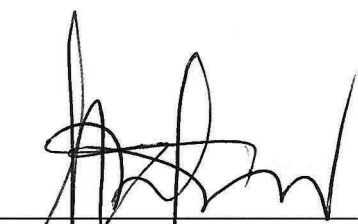
1           **Section 5. Severability.** If any provisions of this Act or the application of  
2 any such provision to any person or circumstance should be held invalid by a court  
3 of competent jurisdiction, the remainder of this Act or the application of its  
4 provisions to persons or circumstances 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.

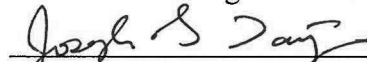
13           **Section 7. Effective Date.** Upon its approval by the Governor, or it  
14 becoming law without such approval.

Prefiled: 10/31/2025

Date: 10/11/2025

Introduced by:   
Rep. Marissa R. Flores

Reviewed for Legal Sufficiency by:

  
Joseph L.G. Taijeron, Jr.  
House Legal Counsel

Date: 9-30-25

