

Twenty-Fourth Northern Marianas Commonwealth Legislature

IN THE HOUSE OF REPRESENTATIVES

SESSION, 2025

H. L. B. 24- **34**

**A LOCAL BILL FOR AN ACT
FOR THE THIRD SENATORIAL DISTRICT**

To establish the “Saipan Economic Incentive Zone” within the Third Senatorial District, and to authorize the Commonwealth Economic Incentive Authority and other relevant agencies to administer and regulate investment activities within the designated zone.

**BE IT ENACTED BY THE THIRD SENATORIAL DISTRICT
DELEGATION PURSUANT TO CHAPTER 4, DIVISION 1, TITLE 1 OF
THE COMMONWEALTH CODE:**

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Saipan Economic Incentive Zone Act of
3 2025.”

4 **SECTION 2. FINDINGS AND PURPOSE.**

5 Zoning within the Third Senatorial District must be grounded in deliberate
6 legislative policy that takes into account the needs of both the private sector and the
7 Third Senatorial District. The Saipan and Northern Islands Delegation (SNILD)
8 finds that large tracts of public and developable land in Saipan remain underutilized
9 despite proximity to ports, utilities, and transportation corridors capable of

1 supporting commerce. To unlock these assets responsibly, the SNILD determines
2 that clear geographic boundaries for an economic incentive zone must be
3 established by law to guide future investment and protect public interest.

4 Organized economic growth depends on coherent coordination among
5 Commonwealth institutions. The Commonwealth Economic Incentive Authority
6 (EIA), established under Title 4, Division 5, Chapter 14 of the Commonwealth
7 Code, possesses the statutory capacity to license and monitor qualified projects,
8 while the Department of Public Lands (DPL), Commonwealth Ports Authority
9 (CPA), and Bureau of Environmental and Coastal Quality (BECQ) retain
10 operational jurisdictions that affect development. The SNILD finds that these
11 agencies can perform their existing functions more effectively when operating
12 within legislatively defined zones, ensuring lawful, transparent, and accountable
13 administration.

14 Neighboring privately owned properties that border the public lands
15 designated as part of the Saipan Economic Incentive Zone may also participate in
16 districtwide growth. The Economic Incentive Authority may develop regulations
17 to evaluate petitions from adjacent private landowners seeking inclusion, provided
18 that any such inclusion maintains consistency with land-use integrity, market
19 fairness, and environmental stewardship, and does not alter the zone's boundaries
20 except as expressly permitted by law.

21 Empowerment through this Act solidifies the Legislature's policy objective:

1 to define the Saipan Economic Incentive Zone by statute and to assign
2 administrative implementation to the Commonwealth's existing economic, land,
3 and environmental agencies. By fixing the zone boundaries through legislation, the
4 Commonwealth strengthens predictability for investors, safeguards constitutional
5 land protections, and establishes a framework that balances development with
6 responsible governance for the benefit of the people of the Third Senatorial District.

7 **SECTION 3. ENACTMENT.**

8 Title 10. Local Laws, Division 3. Third Senatorial District and the Northern
9 Islands of the Commonwealth Code is hereby amended by adding a new Chapter
10 15, entitled "Saipan Economic Incentive Zones Act of 2025," to read as follows:

11 **"Chapter 15. Saipan Economic Incentive Zones Act of**
12 **2025.**

13 **Section 101. Short Title.** This Chapter may be cited as the
14 "Saipan Economic Incentive Zone Act of 2025."

15 **Section 102. Definitions.** For purposes of this Chapter:

16 (a) "Authority Board" or "EIA Board" means the governing
17 body of the Economic Incentive Authority as established under Title
18 4, Economic Resources, Division 5, Business Regulation, Section
19 51120 et seq. of the Commonwealth Code.

20 (b) "Delegation" means the Saipan Legislative Delegation
21 (SNILD) established under Chapter 4, Division 1, Title 1 of the

1 Commonwealth Code, which possesses legislative authority to
2 define and establish economic incentive zone boundaries within the
3 Third Senatorial District.

4 (c) "Department" means the Department of Public Lands
5 (DPL) of the Commonwealth.

6 (d) "Economic Incentive Authority" or "EIA" means the
7 public corporation created under Title 4, Economic Resources,
8 Division 5, Business Regulation, Section 51120 of the
9 Commonwealth Code, which shall implement and administer this
10 Chapter within the geographic boundaries established by the
11 Delegation.

12 (e) "Free Trade Zone" or "FTZ" refers to a term commonly
13 used in international trade to describe geographically designated
14 areas for investment incentives, and shall be construed as equivalent
15 in concept to a Local Economic Incentive Zone under
16 Commonwealth law.

17 (f) "Key Performance Indicator" or "KPI" means an
18 objective metric used to measure performance-based incentives or
19 economic outcomes under this Chapter.

20 (g) "Local Economic Incentive Zone" or "LEIZ" means a
21 specific area of public and adjoining lands within the Third

1 Senatorial District designated by law through the Delegation for the
2 purpose of attracting and supporting responsible investment
3 consistent with Commonwealth land, labor, and environmental
4 laws.

5 (h) "New Qualifying Investment Project" means a capital
6 investment equal to or greater than One Million Dollars
7 (\$1,000,000) that results in new facilities, operations, or
8 employment within an LEIZ.

9 (i) "Newly Formed Business" means a legal entity
10 incorporated or registered within ninety (90) days prior to, or at any
11 time after, its application for EIA licensing under this Chapter.

12 (j) "Qualified Investment Project" means a new or expanded
13 business activity meeting the capital, employment, and compliance
14 requirements prescribed by regulations issued under this Chapter.

15 (k) "Qualified Trading Income" means gross income derived
16 from bona fide international or regional trading of goods or services
17 conducted from within an LEIZ, excluding passive investment
18 income and related-party transfer pricing adjustments, as further
19 defined by regulation.

20 (l) "Zone Boundaries" means the specific geographic
21 perimeter of a Local Economic Incentive Zone established by the

Delegation through legislation, which may not be expanded or altered except by further enactment of law.

Section 103. Implementing Authority.

The Economic Incentive Authority (EIA) shall coordinate with the Third Senatorial District Delegation and the Department of Public Lands (DPL) to implement the provisions of this Chapter. The EIA shall administer all licensing, compliance, and incentive functions within the zone boundaries established under Section 104 of this Chapter. The authority to define, establish, or modify those boundaries rests exclusively with the Third Senatorial District Delegation by law.

Section 104. Designation of Zone Boundaries.

(a) The Saipan Economic Incentive Zone (SEIZ) is hereby established within the geographic area bounded by the following coordinate points, based on the Commonwealth's official Saipan Island Survey Grid (Easting and Northing):

Point	Northing (N)	Easting (E)	Approximate Location
1	N55705.5173	E50618.9625	Micro Beach
2	N55108.0144	E51502.7796	NMHC Corner
3	N53966.1916	E51042.0748	Hanmi Hardware
4	N53976.6522	E50652.9036	Fishing Base

1 (b) The four coordinates described in subsection (a) define
2 the perimeter of the Saipan Economic Incentive Zone. The boundary
3 shall be drawn by connecting the coordinate points in numerical
4 order and returning to Point 1 to close the polygon.

5 (c) The official map of the Saipan Economic Incentive Zone
6 shall be maintained by the Department of Public Lands (DPL) in
7 coordination with the Economic Incentive Authority (EIA) and the
8 Saipan Legislative Delegation. The map shall be deemed a
9 legislative exhibit and incorporated by reference into this Chapter
10 for all purposes of administration, planning, and enforcement.

11 (d) The boundaries established under this Section may not
12 be altered, expanded, or reduced except by further enactment of law
13 by the Saipan Legislative Delegation.

14 (e) The Department of Public Lands, in consultation with the
15 Economic Incentive Authority and the Bureau of Environmental and
16 Coastal Quality, shall ensure that the boundary coordinates
17 correspond accurately with existing cadastral and geospatial survey
18 data prior to implementation of any development or leasing activity
19 within the zone.

20 **Section 105. Inclusion of Adjacent Private Property.**

21 (a) The Economic Incentive Authority (EIA), in consultation

1 with the Third Senatorial District Delegation and the Department of
2 Public Lands (DPL), shall develop and implement a fair,
3 transparent, and objective process by which privately owned
4 property adjacent to the legislatively designated Local Economic
5 Incentive Zone (LEIZ) may be incorporated into the zone upon
6 petition by the property owner.

7 (b) The process established under subsection (a) shall:

8 (1) ensure that inclusion of private property is consistent
9 with Commonwealth land-use, environmental, and zoning policies;

10 (2) provide public notice and an opportunity for comment
11 prior to final recommendation;

12 (3) require a showing that the inclusion will contribute to the
13 economic objectives of the LEIZ without causing adverse impact on
14 neighboring landowners or public interests; and

15 (4) include Key Performance Indicators (KPIs) and reporting
16 requirements for monitoring the economic outcomes of the
17 incorporated property.

18 (c) The EIA shall adopt rules and regulations governing the
19 application, evaluation, and approval process for such inclusion,
20 subject to the Administrative Procedure Act (1 CMC § 9101 et seq.).

21 (d) For purposes of this Section, “adjacent” means any

1 private property that shares a boundary with, or lies within a
2 contiguous radius of, land designated as part of a Local Economic
3 Incentive Zone under this Chapter.

4 (e) No inclusion of private property shall alter or expand the
5 legislatively defined boundaries of the Zone except as expressly
6 authorized by a subsequent act of the Third Senatorial District
7 Delegation.

8 **Section 106. Incentives and Safeguards.**

9 (a) Revenue Protection. Tax incentives under this Chapter
10 shall be offset by measurable economic benefits that demonstrably
11 improve the local economy.

12 (b) Trader Incentive Program. For eligible projects, the
13 Economic Incentive Authority (EIA) may grant or recommend tax
14 incentives to the extent authorized under Title 4, Economic
15 Resources, Division 5, Chapter 5 of the Commonwealth Code (Tax
16 Incentive Program) and other applicable law. Such incentives may
17 include reduced rates, rebates, credits, or exemptions as permitted
18 by statute and regulation, contingent upon achievement of Key
19 Performance Indicators (KPIs).

20 (c) Capability Incentives. Reduced tax rates may be granted
21 for up to ten (10) years for regional headquarters, repair, or supply-

1 chain functions meeting capital investment and local employment
2 thresholds established by regulation.

3 (d) Compliance. All entities licensed under this Chapter shall
4 maintain economic substance and comply with applicable anti-
5 money-laundering and counter-terrorism-financing standards
6 (AML/CFT) and Organisation for Economic Co-operation and
7 Development (OECD) guidelines.

8 (e) Procurement. All procurement shall comply with 4 CMC
9 § 51104.

10 (f) Confidentiality. The EIA shall comply with 4 CMC §
11 51109. Unauthorized disclosure of confidential information
12 obtained in the administration of this Chapter shall be subject to
13 penalty as provided by law.

14 (g) Land Protections. No alienation of land shall occur in a
15 manner contrary to Article XI of the Constitution of the
16 Commonwealth of the Northern Mariana Islands. Leasehold-only
17 arrangements shall be preferred for all projects within the Saipan
18 Economic Incentive Zone.

19 (h) Environmental Protection. All projects within the Zone
20 are subject to environmental impact assessment under the oversight
21 of the Bureau of Environmental and Coastal Quality (BECQ).

1 (i) Labor Protections. All projects shall comply with
2 Commonwealth and federal labor standards, and shall give priority
3 in hiring to citizens and permanent residents of the Commonwealth.

4 (j) Public Trust Doctrine. All leases or concessions under
5 this Chapter shall be consistent with Section 51133 of the
6 Commonwealth Code.

7 (k) Insurance and Indemnification. Each licensee shall
8 maintain liability insurance and indemnify the EIA and the
9 Department of Public Lands (DPL) against all project-related risks,
10 damages, or claims arising from its operations within the Zone.

11 (l) Limitation on Eligibility for Incentives. Incentives under
12 this Chapter shall apply only to newly formed businesses or existing
13 businesses that undertake new qualifying investment projects within
14 a Local Economic Incentive Zone after the effective date of this
15 Chapter.

16 **Section 107. Eligibility.**

17 (a) Only business entities that are legally and factually
18 established after the effective date of this Act are eligible to apply
19 for inclusion in a Local Economic Incentive Zone (LEIZ). Existing
20 businesses that merely relocate, rebrand, or transfer existing
21 operations into an LEIZ solely to avail of incentives shall be

1 ineligible.

2 (b) The Economic Incentive Authority (EIA) shall adopt
3 regulations to verify new-investment status and ensure compliance
4 with this Section.

5 (c) Nothing in this Section shall revoke or impair rights
6 lawfully granted under prior law; however, no entity shall be
7 grandfathered into the incentives provided by this Chapter without
8 meeting the new-investment criteria established herein.

9 **Section 108. Licensing and Revocation.**

10 (a) The Economic Incentive Authority (EIA), in
11 coordination with the Department of Public Lands (DPL) and the
12 Third Senatorial District Delegation, shall license businesses within
13 Local Economic Incentive Zones consistent with Section 51134 of
14 the Commonwealth Code.

15 (b) The EIA may suspend or revoke licenses pursuant to 1
16 CMC §§ 9101 et seq. for violations of this Chapter, non-compliance
17 with regulations, or failure to satisfy established performance or
18 reporting requirements.

19 (c) A revoked license may be reinstated only after full
20 remediation of the underlying violation and upon approval by the
21 EIA Board.

1 **Section 109. Governance and Jurisdiction.**

2 (a) The Economic Incentive Authority (EIA) Board structure
3 and duties shall conform to Sections 51122 through 51124 of the
4 Commonwealth Code.

5 (b) The Secretary of Finance shall retain customs and tariff
6 authority pursuant to Sections 51106 through 51107 of the
7 Commonwealth Code.

8 (c) The Office of the Public Auditor (OPA) shall conduct an
9 annual audit of the Economic Incentive Authority in accordance
10 with Section 51127 of the Commonwealth Code.

11 (d) All EIA and Department of Public Lands (DPL) staff
12 administering this Chapter shall comply with the CNMI Ethics Code
13 under 1 CMC § 8501 et seq.

14 **Section 110. Reporting and Transparency.**

15 (a) **Annual Report.** The Economic Incentive Authority shall
16 submit an annual report to the Third Senatorial District Delegation
17 detailing all licenses issued, investments made, jobs created, tax
18 impacts, and compliance status within Local Economic Incentive
19 Zones (LEIZs).

20 (b) **Public Registry.** The Economic Incentive Authority
21 shall maintain a publicly accessible digital registry of all LEIZs and

1 related licenses to promote transparency and accountability.

2 **Section 111. Dispute Resolution.**

3 Investment contracts executed under this Chapter may
4 designate arbitration before the Singapore International Arbitration
5 Centre (SIAC) or the American Arbitration Association–
6 International Centre for Dispute Resolution (AAA–ICDR). Arbitral
7 awards rendered under such proceedings shall be enforceable in the
8 Commonwealth Superior Court pursuant to Section 51108 of the
9 Commonwealth Code and the Convention on the Recognition and
10 Enforcement of Foreign Arbitral Awards (New York Convention).

11 **Section 112. Rulemaking Authority.**

12 The Economic Incentive Authority shall promulgate rules
13 and regulations necessary to implement this Chapter, including but
14 not limited to criteria for Local Economic Incentive Zone
15 designation, licensing and monitoring of projects, performance
16 measurement standards, and procedures for petitions under Section
17 105. All regulations shall be adopted in accordance with the
18 Administrative Procedure Act (1 CMC § 9101 et seq.).

19 **Section 113. Review and Sunset.**

20 The Third Senatorial District Delegation shall review this
21 Chapter every five (5) years to assess its economic performance,

1 fiscal impact, and regulatory compliance. Based on empirical
2 results, the Delegation may recommend continuation, amendment,
3 or repeal by subsequent enactment.”

4 **SECTION 4. SEVERABILITY.**

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

10 **SECTION 5. SAVINGS CLAUSE.**

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

18 **SECTION 6. EFFECTIVE DATE.**

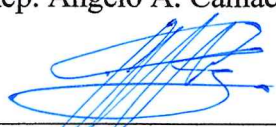
19 This Act shall take effect upon its approval by the Governor or its becoming
20 law without such approval.

Prefiled: 10/14/2025

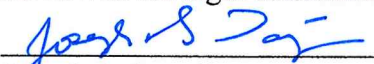
Date: _____

Introduced by: _____


Rep. Angelo A. Camacho


Rep. Vincent R. Aldan

Reviewed for legal sufficiency by:


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

Date: 10-14-25