

David M. Apatang
Governor



GOV. COMM. 24-95
(HOUSE)

Dennis James C. Mendiola
Lieutenant Governor

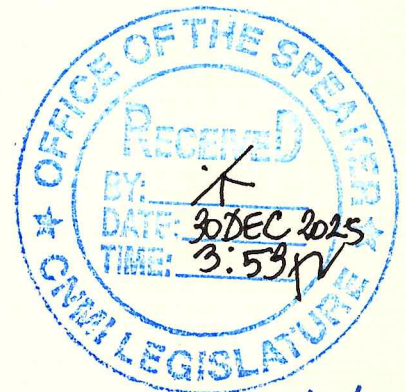
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

December 30, 2025

GOV2025-632

The Honorable John Paul P. Sablan
Chairman
Saipan and Northern Islands Legislative Delegation
Twenty-Fourth Northern Marianas Commonwealth Legislature
Saipan, MP 96950

The Honorable Edmund S. Villagomez
Speaker
House of Representatives
Twenty-Fourth Northern Marianas Commonwealth Legislature
Saipan, MP 96950



1/5/26

Dear Mr. Chairman and Mr. Speaker:

This is to inform you that I have signed into law **House Local Bill No. 24-34, D1**, entitled "To establish the "Saipan Economic Incentive District" 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 district.,," which was passed by the Saipan and Northern Islands Legislative Delegation of the Twenty-Fourth Northern Marianas Commonwealth Legislature.

This Bill becomes **Saipan Local Law No. 24-18**. Copies bearing my signature are forwarded for your reference.

Sincerely,

DAVID M. APATANG
Governor

RECEIVED BY [Signature]
DATE 1/5/2026 TIME 9:10 L

[Signature]
12302025
@3:52 PM

cc: Lieutenant Governor; Attorney General; Commonwealth Law Revision Commission;
Public Auditor; Special Assistant for Administration; Secretary of Finance; Zoning;
DPL; CPA; BECQ; Programs and Legislative Review



**SAIPAN AND NORTHERN ISLANDS LEGISLATIVE DELEGATION
THIRD SENATORIAL DISTRICT
TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
SECOND REGULAR SESSION, 2025**

HOUSE LOCAL BILL NO. 24-34, D1

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

To establish the "Saipan Economic Incentive District" 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 district.

OFFERED BY

Representatives Angelo A. Camacho, Vincent R. Aldan, Blas Jonathan "BJ" T. Attao, Joel C. Camacho, Marissa R. Flores, and John Paul P. Sablan

Introduced on October 24, 2025


HOUSE ACTION

Transmitted to the Saipan and Northern Islands Legislative Delegation for action on

November 7, 2025

DELEGATION ACTION

Referred to:	None
Comments Solicited:	11/10/25 Mayor of Saipan [Del. Matters 24-60] Mayor of Northern Islands [Del. Matters 24-61] 18 th SNIMC [Del. Matters 24-62]
Comments Received:	None
Standing Committee Report:	None
Passed First & Final Reading:	November 21, 2025, w/Draft 1



Frances Joan P. Kaipat
Delegation Clerk



**SAIPAN AND NORTHERN ISLANDS LEGISLATIVE DELEGATION
THIRD SENATORIAL DISTRICT
TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE**

SECOND REGULAR SESSION, 2025

H. L. B. NO. 24-34, D1

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

To establish the “Saipan Economic Incentive District” 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 district.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Saipan Economic Incentive District Act of 2025.”

SECTION 2. FINDINGS AND PURPOSE.

Zoning within the Third Senatorial District must be grounded in deliberate legislative policy that takes into account the needs of both the private sector and the Third Senatorial District. The Saipan and Northern Islands Delegation (SNILD) finds that large tracts of public and developable land in Saipan remain underutilized despite proximity to ports, utilities, and transportation corridors capable of supporting commerce. To unlock these assets responsibly, the SNILD determines that clear geographic boundaries for an economic incentive district must be

HOUSE LOCAL BILL NO. 24-34, D1

1 established by law to guide future investment and protect public interest.

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

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

16 Empowerment through this Act solidifies the Legislature's policy objective: to define the
17 Saipan Economic Incentive District by statute and to assign administrative implementation to the
18 Commonwealth's existing economic, land, and environmental agencies. By fixing the district
19 boundaries through legislation, the Commonwealth strengthens predictability for investors,
20 safeguards constitutional land protections, and establishes a framework that balances development
21 with responsible governance for the benefit of the people of the Third Senatorial District.

HOUSE LOCAL BILL NO. 24-34, D1

1 **SECTION 3. ENACTMENT.**

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

5 **“Chapter 15. Saipan Economic Incentive District Act of 2025.**

6 **Section 101. Short Title.** This Chapter may be cited as the “Saipan Economic
7 Incentive District Act of 2025.”

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

9 (a) “Authority Board” or “EIA Board” means the governing body of the Economic
10 Incentive Authority as established under Title 4, Economic Resources, Division 5,
11 Business Regulation, Section 51120 et seq. of the Commonwealth Code.

12 (b) “Delegation” means the Saipan Legislative Delegation (SNILD) established
13 under Chapter 4, Division 1, Title 1 of the Commonwealth Code, which possesses
14 legislative authority to define and establish economic incentive district boundaries within
15 the Third Senatorial District.

16 (c) “Department” means the Department of Public Lands (DPL) of the
17 Commonwealth.

18 (d) “Economic Incentive Authority” or “EIA” means the public corporation created
19 under Title 4, Economic Resources, Division 5, Business Regulation, Section 51120 of the
20 Commonwealth Code, which shall implement and administer this Chapter within the
21 geographic boundaries established by the Delegation.

HOUSE LOCAL BILL NO. 24-34, D1

1 (e) “Free Trade District” or “FTD” refers to a term commonly used in international
2 trade to describe geographically designated areas for investment incentives, and shall be
3 construed as equivalent in concept to a Local Economic Incentive District under
4 Commonwealth law.

5 (f) “Key Performance Indicator” or “KPI” means an objective metric used to
6 measure performance-based incentives or economic outcomes under this Chapter.

7 (g) “Local Economic Incentive District” or “LEID” means a specific area of public
8 and adjoining lands within the Third Senatorial District designated by law through the
9 Delegation for the purpose of attracting and supporting responsible investment consistent
10 with Commonwealth land, labor, and environmental laws.

11 (h) “New Qualifying Investment Project” means a capital investment equal to or
12 greater than One Million Dollars (\$1,000,000) that results in new facilities, operations, or
13 employment within an LEID.

14 (i) “Newly Formed Business” means a legal entity incorporated or registered within
15 ninety (90) days prior to, or at any time after, its application for EIA licensing under this
16 Chapter.

17 (j) “Qualified Investment Project” means a new or expanded business activity
18 meeting the capital, employment, and compliance requirements prescribed by regulations
19 issued under this Chapter.

20 (k) “Qualified Trading Income” means gross income derived from bona fide
21 international or regional trading of goods or services conducted from within an LEID,

HOUSE LOCAL BILL NO. 24-34, D1

1 excluding passive investment income and related-party transfer pricing adjustments, as
2 further defined by regulation.

3 (l) "District Boundaries" means the specific geographic perimeter of a Local
4 Economic Incentive District established by the Delegation through legislation, which may
5 not be expanded or altered except by further enactment of law.

6 **Section 103. Implementing Authority.**

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

13 **Section 104. Designation of District Boundaries.**

14 (a) The Saipan Economic Incentive District (SEID) is hereby established within the
15 geographic area bounded by the following coordinate points, based on the
16 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

HOUSE LOCAL BILL NO. 24-34, D1

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

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

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

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

Section 105. Inclusion of Adjacent Private Property.

(a) The Economic Incentive Authority (EIA), in consultation with the Third Senatorial District Delegation and the Department of Public Lands (DPL), shall develop and implement a fair, transparent, and objective process by which privately owned property adjacent to the legislatively designated Local Economic Incentive District (LEID) may be incorporated into the district upon petition by the property owner.

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

HOUSE LOCAL BILL NO. 24-34, D1

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

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

5 (3) require a showing that the inclusion will contribute to the economic objectives
6 of the LEID without causing adverse impact on neighboring landowners or public interests;
7 and

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

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

13 (d) For purposes of this Section, “adjacent” means any private property that shares
14 a boundary with, or lies within a contiguous radius of, land designated as part of a Local
15 Economic Incentive District under this Chapter.

16 (e) No inclusion of private property shall alter or expand the legislatively defined
17 boundaries of the district except as expressly authorized by a subsequent act of the Third
18 Senatorial District Delegation.

19 **Section 106. Incentives and Safeguards.**

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

HOUSE LOCAL BILL NO. 24-34, D1

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

(c) Capability Incentives. Reduced tax rates may be granted for up to five (5) years for regional headquarters, repair, or supply-chain functions meeting capital investment and local employment thresholds established by regulation. Provided, however, that anything above ground level, all applicable taxes shall apply and shall not be limited to per square footage.

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

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

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

(g) Land Protections. No alienation of land shall occur in a manner contrary to Article XI of the Constitution of the Commonwealth of the Northern Mariana Islands.

HOUSE LOCAL BILL NO. 24-34, D1

1 Leasehold-only arrangements shall be preferred for all projects within the Saipan
2 Economic Incentive District.

3 (h) Environmental Protection. All projects within the district are subject to
4 environmental impact assessment under the oversight of the Bureau of Environmental and
5 Coastal Quality (BECQ).

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

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

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

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

18 **Section 107. Eligibility.**

19 (a) Only business entities that are legally and factually established after the
20 effective date of this Act are eligible to apply for inclusion in a Local Economic Incentive
21 District (LEID). Existing businesses that merely relocate, rebrand, or transfer existing

HOUSE LOCAL BILL NO. 24-34, D1

1 operations into an LEID solely to avail of incentives shall be ineligible.

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

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

7 **Section 108. Licensing and Revocation.**

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

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

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

17 **Section 109. Governance and Jurisdiction.**

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

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

HOUSE LOCAL BILL NO. 24-34, D1

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

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

Section 110. Reporting and Transparency.

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

(b) **Public Registry.** The Economic Incentive Authority shall maintain a publicly accessible digital registry of all LEIDs and related licenses to promote transparency and accountability.

Section 111. Dispute Resolution.

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

Section 112. Rulemaking Authority.

HOUSE LOCAL BILL NO. 24-34, D1

1 The Economic Incentive Authority shall promulgate rules and regulations
2 necessary to implement this Chapter, including but not limited to criteria for Local
3 Economic Incentive District designation, licensing and monitoring of projects,
4 performance measurement standards, and procedures for petitions under Section 105. All
5 regulations shall be adopted in accordance with the Administrative Procedure Act (1 CMC
6 § 9101 et seq.).

7 **Section 113. Review and Sunset.**

8 The Third Senatorial District Delegation shall review this Chapter every five (5)
9 years to assess its economic performance, fiscal impact, and regulatory compliance. Based
10 on empirical results, the Delegation may recommend continuation, amendment, or repeal
11 by subsequent enactment.”

12 **SECTION 4. SEVERABILITY.**

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

17 **SECTION 5. SAVINGS CLAUSE.**

18 This Act and any repealer contained herein shall not be construed as affecting any existing
19 right acquired under contract or acquired under statutes repealed or under any rule, regulation or
20 order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding
21 instituted under or pursuant to prior law. The enactment of the Act shall not have the effect of

HOUSE LOCAL BILL NO. 24-34, D1

terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence on the date this Act becomes effective.

SECTION 6. EFFECTIVE DATE.

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

CERTIFIED BY:

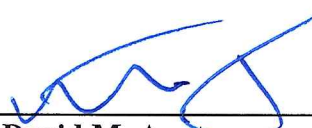


John Paul P. Sablan
Chairman
Saipan & Northern Islands Legislative Delegation



Edmund S. Villagomez
Speaker
24th House of Representatives

Approved this 30th day of December, 2025.



David M. Apatang
Governor
Commonwealth of the Northern Mariana Islands