

**A BILL FOR AN ACT**

To amend Title 4, Division 8 of the Commonwealth Code to exempt certain childcare providers from being charged commercial utility rates; and for other purposes.

**BE IT ENACTED BY THE TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:**

1           **Section 1. Findings and Purpose.** The Legislature finds that small-scale childcare  
2 providers play a vital role in the Commonwealth by offering essential early childhood care  
3 and education, often from residential properties. Many of these providers are subject to  
4 strict regulations that limit the number of children they may care for, effectively capping  
5 their potential income.

6           Furthermore, these providers frequently operate as sole proprietors or small home-  
7 based businesses that do not have the resources to absorb increased costs. When utility  
8 providers classify these operations under commercial rate categories, it significantly  
9 increases the business cost. Given their fixed income limitations and the essential nature of  
10 their services, these increased costs cannot always be passed on to families without making  
11 childcare unaffordable.

12           It is therefore the purpose of this Act to provide relief to these critical service  
13 providers by exempting qualifying childcare providers from being charged commercial  
14 utility rates, ensuring that early childcare remains accessible and that providers are not  
15 unduly burdened by rising operational costs.

16           **Section 2. Amendment.** Title 4, Division 8 of the Commonwealth Code is hereby  
17 amended by adding a new Chapter 4 to read as follows:

18           **“Chapter 4. Utility Rate Classification for Childcare Providers.**

19           **§8401. Definitions.**

1 (a) "Childcare provider" means a person or entity that provides childcare services,  
2 whether licensed or exempt from licensure, and is registered with the CNMI Child Care  
3 Licensing Program.

4 (b) "Small-scale childcare provider" means a childcare provider who cares for no  
5 more than six (6) children at any one time in a home-based or residential setting.

6 (c) "Utility service" includes, but is not limited to, electricity, water, and sewer  
7 services provided by a public utility.

8 **§8402. Exemption from Commercial Rate Classifications.**

9 (a) A utility provider shall not classify a small-scale childcare provider as a  
10 commercial entity for the purposes of utility rate setting.

11 (b) Eligible small-scale childcare providers shall be charged residential utility rates  
12 consistent with the classification applied to similarly situated residential customers.

13 **§8403. Certification and Verification.**

14 (a) To qualify for the exemption provided under this Chapter, a childcare provider  
15 must submit documentation to the utility provider demonstrating:

16 (1) Registration with the CNMI Child Care Licensing Program; and

17 (2) That the provider cares for no more than six (6) children at any one time.

18 (b) Utility providers may require annual verification to confirm ongoing eligibility.

19 **§8404. Rules and Regulations.**

20 The Commonwealth Utilities Corporation, in coordination with the Department of  
21 Community and Cultural Affairs, shall promulgate necessary rules and regulations to  
22 implement this Chapter within 120 days of its effective date."

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

27 **Section 4. Savings Clause.** This Act and any repealer contained herein shall not  
28 be construed as affecting any existing right acquired under contract or acquired under

1 statutes repealed or under any rule, regulation or order adopted under the statutes.  
2 Repealers contained in this Act shall not affect any proceeding instituted under or pursuant  
3 to prior law. The enactment of this Act shall not have the effect of terminating, or in any  
4 way modifying, any liability civil or criminal, which shall already be in existence at the  
5 date this Act becomes effective.

6 **Section 5. Effective Date.** This Act shall take effect upon its approval by the  
7 Governor or upon its becoming law without such approval.

Date: 5/5/25

Introduced By:   
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Senator Donald M. Manglona

Reviewed for Legal Sufficiency by:

  
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Senate Legal Counsel