TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

Fourth Reg. **SESSION, 2026** **S.B. NO. 24-66**

A BILL FOR AN ACT

To amend 2 CMC § 4335 (e), allowing flexibility in homestead requirements due to significant investments, infrastructural deficiencies, reasonable justifications, and natural disasters, and to provide for the issuance of quitclaim deeds under certain conditions; and for other purposes.

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

Section 1. Short Title. This Act may be cited as the "Homestead Development Flexibility Act of 2026".

Section 2. Findings and Purpose. The Legislature finds that active or current awardees or village homesteaders in the Commonwealth of the Northern Mariana Islands (CNMI) often encounter challenges or barriers that prevents timely completion of requisite dwelling structures on awarded village homestead parcel or lots. These impediments may include, but is not limited to, the absence or lack of essential new home infrastructure such as water, sewage, and power; unforeseen economic impact due to inflation, diminished prosperity of CNMI government finances causing limited job opportunities, and other substantial economic hardships due to natural and manmade disasters experienced in past super-typhoons and the COVID-19 pandemic, respectively. Current statutory provisions do not adequately account for these challenges, resulting in undue or unfair penalization of awardees or homesteaders who, despite the lengthy homestead application and approval process, and their significant investments in physical labor and monetary or financial reserves. Currently, many awardees or homesteaders struggle or outright unable to adhere or comply with current homestead mandates or requirements.

The purpose of this Act is to provide flexibility, fairness, and opportunity of real property ownership for our Northern Marianas Decent (NMDs) within the statutory

framework that governs village homesteading in the CNMI. Recognizing the significant challenges faced by homesteaders, such as infrastructural inadequacies, economic downturns, financial constraints, and the devastating impacts of natural disasters like typhoons, this legislation aims to amend the existing statute to be more flexible and accommodating of the realities as presented. Specifically, the Act seeks to introduce provisions to allow waivers in cases where substantial or significant financial investments have occurred in the process of homestead development, where essential infrastructure for dwelling completion is lacking, or where completed dwelling structures have been adversely affected by natural disasters. This tailored approach aspires to create a more equitable homesteading environment, ensuring that residents are not unjustly penalized for failing to meet homestead requirements due to unforeseen external factors and/or control. Through these amendments, the legislation aims to foster a more resilient and flexible homesteading framework conducive to the substantial development of communities and preservation of NMD rights to landownership within the CNMI.

Section 3. Amendment. 2 CMC § 4335 (e) of the Commonwealth Code is hereby amended to read as follows:

"(e) The Department of Public Lands shall waive the requirement or policy of completing a single-family residential dwelling structure, or shall not penalize or burden the awardees or homesteaders, upon showing of one or more of the following: ~~upon showing reasonable justification that the homesteader continues to maintain the assigned lot in conformance with the Department of Public Lands requirements, or upon the homesteader providing to the department that the building permit required under 2 CMC § 7131 is denied because the homestead area lacks water, power, or sewage system infrastructure~~

(1) There exists reasonable justification that the homesteader has maintained the assigned lot in accordance with the Department of Public Lands requirements.

(2) The homesteader proves that the area lacks fundamental utilities such as water, power, or sewage systems, resulting in the denial of the building permit required under 2 CMC § 7131.

(3) A significant investment, defined as a minimum of Five ~~Ten~~ Thousand U.S. Dollars ($5,000) ~~($10,000)~~, has been made towards the development and enhancement of the homestead lot.

(4) The completed dwelling structure suffers significant damage or destruction cause by natural disasters such as typhoons, rendering the dwelling uninhabitable.

(5) Upon the homesteader meeting the conditions stipulated in subsection (e) (3) & (4), the Department of Public Lands shall issue a quitclaim deed to the homesteader, thereby transferring all its rights, title, and interest in the property, releasing any claim by the government subject to applicable laws and regulations."

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

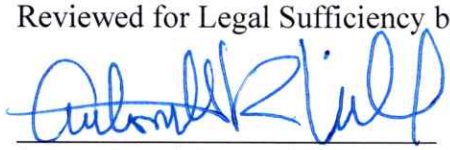
Section 5. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation, or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of the Act shall not have the effect of 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 becoming law without such approval.

Date: 9-4-26

Introduced By: _____
Sen. Corina L. Magofna

Reviewed for Legal Sufficiency by:



Senate Legal Counsel