

A BILL FOR AN ACT

To amend CNMI law relating to price freezes and price gouging during states of emergency and disaster; to authorize designated law enforcement and regulatory agencies to assist in the inspection, investigation, and enforcement of consumer protection and price freeze laws; and for other purposes.

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

1 **Section 1. Findings and Purpose.**

2 The Legislature finds that the Commonwealth of the Northern Mariana Islands is
3 vulnerable to typhoons, tropical storms, natural disasters, and other emergencies that
4 disrupt commerce, transportation, housing, and the supply of essential goods and
5 services. Following the impacts of Typhoon Sinlaku and the subsequent federal disaster
6 declaration issued by President Donald J. Trump, residents of the Commonwealth
7 reported substantial increases in the prices of food, water, fuel, generators, building
8 materials, housing rentals, and other essential commodities.

9 During states of emergency and disaster, consumers are particularly vulnerable to
10 exploitative pricing practices due to limited supply, damaged infrastructure, disrupted
11 transportation, and urgent need. The Commonwealth law under 4 CMC § 5142 prohibits
12 price increases during a declared price freeze; however, enforcement authority is
13 presently concentrated within the Office of the Attorney General through the Consumer
14 Counsel.

15 The Legislature recognizes that the Consumer Counsel may lack sufficient
16 personnel, resources, and field enforcement capacity to effectively investigate widespread
17 violations occurring throughout the Commonwealth during emergencies and disasters.
18 Effective enforcement of emergency consumer protection laws requires coordination

1 among law enforcement agencies, regulatory agencies, and public safety personnel with
2 existing investigative and inspection capabilities. Strengthening enforcement mechanisms
3 will deter unlawful profiteering, protect consumers, preserve public confidence, and
4 promote fair access to essential goods and housing during emergencies.

5 The purpose of this Act is to strengthen the enforcement of Commonwealth price
6 freeze and consumer protection laws during declared emergencies and disasters;
7 authorize designated law enforcement officers and regulatory agencies to assist the Office
8 of the Attorney General and Consumer Counsel in inspecting, investigating, and
9 enforcing violations relating to unlawful price increases; establish interagency
10 cooperation and information-sharing authority; provide clear investigative powers and
11 enforcement procedures; and protect the health, safety, and welfare of the people of the
12 Commonwealth during emergencies and disasters.

13 **Section 2. Amendment.** 4 CMC § 5142 is amended by adding new subsections
14 to read as follows:

15 “(d) Enforcement Authority.

16 In addition to the authority of the Consumer Counsel under 1 CMC § 2156(f), the
17 following agencies and officers are authorized to assist in the inspection, investigation,
18 and enforcement of this section during the existence of a declared price freeze:

- 19 1. The Department of Public Safety;
- 20 2. The Department of Fire and Emergency Medical Services;
- 21 3. The Department of Commerce Enforcement Division;
- 22 4. The Department of Labor Enforcement Division;
- 23 5. The Division of Revenue and Taxation Enforcement Division; and
- 24 6. Any other executive department or agency designated by the Governor
25 or Attorney General.

26 (e) Investigative Authority.

27 Authorized personnel under subsection (d) may:

- 28 1. Receive and document complaints relating to alleged violations of this
29 section;

- 1 2. Conduct inspections of businesses, rental properties, warehouses, and
- 2 commercial establishments during normal business hours;
- 3 3. Request and review invoices, receipts, inventory records, shipping
- 4 records, rental agreements, pricing records, and other documents
- 5 relevant to determining whether unlawful price increases have
- 6 occurred;
- 7 4. Interview witnesses and obtain written statements;
- 8 5. Refer evidence of violations to the Office of the Attorney General for
- 9 civil or criminal enforcement proceedings.

10 (f) Coordination With Attorney General.

11 All investigations conducted pursuant to this section shall be coordinated with the

12 Office of the Attorney General. The Attorney General may issue guidelines, procedures,

13 and forms necessary to implement this section.

14 (g) Administrative Subpoena Authority.

15 The Attorney General may issue administrative subpoenas requiring the

16 production of records or testimony relevant to an investigation under this section.

17 (h) Civil Penalties.

18 Any person or business entity that violates this section shall be subject to:

- 19 1. A civil fine not exceeding \$10,000 per violation;
- 20 2. Restitution to affected consumers;
- 21 3. Suspension or revocation of applicable business licenses or permits; and
- 22 4. Injunctive relief as ordered by a court of competent jurisdiction.

23 Each individual transaction or rental agreement in violation of this section shall

24 constitute a separate violation.

25 (i) Criminal Penalties.

26 A knowing or willful violation of this section involving fraud, deception,

27 concealment of records, or repeated offenses shall constitute a misdemeanor punishable

28 by imprisonment of not more than one year, a fine of not more than \$25,000, or both.

29 (j) Whistleblower Protection.

1 No employer shall retaliate against an employee who reports suspected violations
2 of this section to a government agency or participates in an investigation conducted under
3 this section.

4 (k) Rules and Regulations.

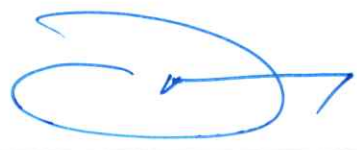
5 The Attorney General may promulgate rules and regulations necessary to
6 implement and enforce this section pursuant to the Administrative Procedure Act.”

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

12 **Section 4. Savings Clause.** This Act and any repealer contained herein shall not
13 be construed as affecting any existing right acquired under contract or acquired under
14 statutes repealed or under any rule, regulation, or order adopted under the statutes.
15 Repealers contained in this Act shall not affect any proceeding instituted under or
16 pursuant to prior law. The enactment of the Act shall not have the effect of terminating,
17 or in any way modifying, any liability, civil or criminal, which shall already be in
18 existence on the date this Act becomes effective.

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

Date: 9/23/26

Introduced By: 

Senator Francisco Q. Cruz

Reviewed for Legal Sufficiency by:



Senate Legal Counsel