



The Senate
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500129
SAIPAN, MP 96950

STANDING COMMITTEE REPORT NO. 24-09
Date: May 08, 2025
RE: Senate Bill No. 24-31

Honorable Dennis James C. Mendiola
President of the Senate
Twenty-Third Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Mr. President:

Your Committee on Health, Welfare and Programs, to which was referred Senate Bill No. 24-31, entitled:

“To ensure food safety and support small food entrepreneurs sell low-risk, non-perishable foods and home-cooked meals, and for other purposes.”

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion and deliberation, your Committee recommends passage of Senate Bill No. 24-31 in the form of Senate Draft 1.

II. ANALYSIS:

A) Purpose:

The purpose of Senate Bill No. 24-31 is to enhance food safety, economic growth, entrepreneurship, and small business sustainability in the Commonwealth of the Northern Mariana Islands by allowing sales of low-risk, non-perishable foods and home-cooked meals.

B) Committee Findings:

Your Committee finds that the CNMI has presently reached an economic decline that has been deteriorating faster as time passes. In addition, the Commonwealth's main economic driver, tourism, has been seemingly deteriorating, and as a result, the people are witnessing an abundance of local businesses close their doors. Your Committee further finds that there are many talented individuals throughout the entire Commonwealth who can utilize their culinary skills performed within their homes to generate revenue. Given that the current state of the economy renders difficulty in sustainability, your Committee finds it necessary to utilize resources present in the Commonwealth to generate revenue.

Your Committee finds that allowing the sale of low-risk, non-perishable foods, or non-time/temperature control for safety foods, as well as home-cooked meals within the Commonwealth, would assist local entrepreneurs who are at risk of shutting down operations due to negative economic impact.

Your Committee met on May 08, 2025, to discuss the provisions of the proposed legislation. Present during the Committee Meeting were Mr. John Tagabuel, EHDP Administrator, Public Health Services, Commonwealth Healthcare Corporation, and Ms. Eileen Pangelinan, Operations Manager, EHDP, Public Health Services, Commonwealth Healthcare Corporation. During deliberation, your Committee discussed recommendations that have been made by CHCC to incorporate into a potential Senate Draft 1. Your Committee expressed that the proposed legislation would help reduce the gap and further encourage entrepreneurship amongst the citizens, as well as provide a mechanism by giving the public health and its regulatory body the oversight to ensure compliance. It was expressed by Administrator Tagabuel that the agency supports the proposed legislation, however, there may be a need for amendment in the wording, along with food safety issues. He expressed that one thing that is not outlined in CHCC's recommendations is the need to help small businesses with microloans.

Your Committee discussed Section 101 of the proposed legislation, specifically the definition of "low-risk perishable foods". Operations Manager Pangelinan shared that with EHDP's recently adopted food code, there is a definition for time/temperature control for food safety, food products. She shared that there is a standard for these foods; however, when discussing low-risk and non-perishable foods, these would be classified as "non-TCS" foods with certain parameters such as pH levels and water activity. It was shared that this is defined in the food code and is available on the website. Your Committee expressed concern with the discussion about pH levels in water used to prepare foods, as it is known that there is PFAS in some of the waters in the CNMI.

Your Committee discussed Section 105 of the proposed legislation, specifically about the enforcement and penalties of the provisions. As drafted, the proposed legislation details a \$1,000 fine per violation. Administrator Tagabuel shared with the Committee that the EHDP presently described in its regulation that there is a written warning at first before fines are imposed. Operations Manager Pangelinan further explained that under Public Law

No. 12-48, EHDP enforcement fees include a written warning, then a \$500 fine for the first offense, and then a \$1,000 fee for violations after that.

The Committee briefly discussed the applicability of food handlers permits for workers who transition between workplaces. It was detailed that this is allowed with a \$15 fee for a duplicate. The Committee asked if delivery drivers who handle drinks are required to obtain a food handler's permit. Operations Manager Pangelinan shared that any food, drink, or water is defined as food, so these workers are required to obtain a permit. The Committee raised concerns about drinks in local stores being dirty, and perhaps the need to remind stores to clean the drinks.

Your Committee reverted to discussion on Section 101 of the proposed legislation, specifically regarding the term indirect sales and the need to clarify that it is only permissible to operators who hold a permit issued by CHCC EHDP to maintain consistency. The Committee agreed to amend the language to reflect that CFOs must obtain a sanitary permit from EHDP, as well as replace the term "registration" with "permit". Further discussion detailed Section 102(b)(3), where the Committee agreed to add "date of production" to the list of labeling requirements. The Committee asked if there is a requirement to include a "best before" date on labels of food items. Administrator Tagabuel shared that the CNMI is entering the cottage food and microenterprise industry, and right now, there is a 7-day refrigeration period, which emphasizes the importance of labeling. The Committee asked if there are requirements for foods that have been sitting for a certain time to be discounted. Operations Manager Pangelinan expressed that there is no requirement presently.

Your Committee discussed Section 103 of the proposed legislation and CHCC EHDP's concern with permitted activities. The Committee agreed to reflect language in this section to include third-party vendors. Operations Manager Pangelinan expressed that if these operators are going to be selling to retail, it falls within the jurisdiction of the USDA, where there is a 3% meat. She shared that this may pose an issue, especially if the product is not coming from a USDA-approved facility. She expressed that EHDP does not directly enforce this, however, there have been times when USDA investigators came out annually to do inspections and will cite businesses that are selling products that exceed this amount. The Committee shared that these concerns can be addressed when CHCC EHDP establishes the regulations for implementation. CHCC EHDP further outlines the need to clarify compliance measures and outline compliance expectations. The Committee expresses that it would draft the proposed legislation in a manner that is broad so that it gives CHCC EHDP the leeway to incorporate the rules and regulations properly when that time comes.

Administrator Tagabuel shared that CHCC EHDP does not have the authority to enter the private premises for inspection, and it needs that mandated authority. Your Committee shared that while that is not the case now, it is with hope that in removing the restrictions, it can encourage operators to come forward and apply for a permit, and by this time, the

agency would have that authority for inspections. The Committee further agreed to amend section 105(b) to reflect the current violations and penalties.

The Committee asked how operators from Tinian and Rota would be treated when they decide to operate at events such as the Flame Tree Festival or the Taste of the Marianas. Administrator Tagabuel shared that there is nothing in the book in that regard, but if they dispense food and have a permit in Tinian with notice that they are arriving in Saipan, then that will be extended. The issue is when operators do not have a permit and are operating in Saipan. The Committee asked if the permit issued in the other districts would restrict an operator from selling goods in Saipan for the weekend. Operations Manager Pangelinan shared that CHCC EHDP requires them to obtain a temporary events permit to participate in any community event. This is a separate onsite events permit and does have additional fees.

The Committee shared that what can be done is the adoption of the amendments identified during discussion and then providing CHCC EHDP with a final draft for the division to review and notify the body if there are additional changes that need to be made that can be addressed on the Senate floor. The Committee went through the proposed amendments individually and the Committee agreed with the amendments that were recommended by the CHCC EHDP, and no member objected to the passage of Senate Bill No. 24-31 in the form of Senate Draft 1.

C) Legislative History:

Senate Bill No. 24-31 was formally introduced by Senator Donald M. Manglona on March 07, 2025, and was subsequently referred to the Senate Standing Committee on Health, Welfare, and Programs for disposition.

D) Public Hearing and Comment:

1. Public Hearing. No public hearing was scheduled for Senate Bill No. 24-31. However, a committee meeting, which is open to the public, was held to receive written and oral testimonies on any proposed legislation appearing on the agenda. See below for further details.
2. Committee Meeting. The proposed legislation made its first appearance during the scheduled committee meeting on May 08, 2025, in which your Committee deliberated on the provisions stated in the proposed legislation and the comments provided to the Committee for review.

The respective Committee Meeting notices and agendas were officially posted on various legislative forums and social media sites in accordance with the Open Government Act to invite members of the general public to provide comments as indicated under Item No. III. Public Comment on the Committee Agenda. During the committee meeting, no public comments were provided on the proposed legislation.

3. Written Comment. Your Committee requested comments with a deadline to respond by April 25, 2025. To date, the status of comments received from the following government agencies is as follows:

1. Esther Lizama Muna, PhD, MHA, FACHE, Chief Executive Officer, Commonwealth Healthcare Corporation, *received on May 02, 2025*
2. Roman Franklin M. Tudela, MBA, Marketing Manager, CNMI Small Business Development Center, Northern Marianas College, *received on May 05, 2025*

E) Estimated Fiscal Cost:

The enactment of Senate Bill No. 24-31, Senate Draft 1, will result in additional costs to the CNMI government for the purpose of funding the implementation of the provisions within the proposed legislation. However, the economic enhancement and opportunity for local entrepreneurs outweigh any fiscal cost.

F) Summary of Committee Amendments:

Your Committee agreed to the following amendments:

1. Title. Language was replaced to reflect “non-time/temperature control (TCS)” foods as amended in the proposed legislation to read:

“To ensure food safety and support small food entrepreneurs sell ~~low-risk, non-perishable foods~~ non-time/temperature control (TCS) for safety foods and home-cooked meals; and for other purposes.”

2. Section 2. Findings and Purpose. Language was replaced to reflect “non-TCS” foods as amended in the proposed legislation, beginning on page one, lines 12-18, to read:

“The Legislature further finds that allowing sale of ~~low-risk, non-perishable foods and home-cooked meals~~ Non-Time/Temperature Control (TCS) for Safety Food within the Commonwealth would assist small businesses that are at risk of shutting their doors due to the negative economic impact. Therefore, the purpose of this legislation is to support small food entrepreneurs by allowing the sale of ~~low-risk, non-perishable foods and home-cooked~~ non-TCS meals prepared at residential kitchens, while ensuring food safety through reasonable regulations.”

3. Section 3. Enactment. Chapter xx §101. Definitions. Language was inserted to define “time/temperature control (TCS) for safety food, and further detail that food

products that do not align with this definition are to be described as “non-TCS foods” and the subsequent subsections being renumbered, beginning on page 2, lines 4-24 to read:

“§ 101. Definitions. For the purposes of this chapter:

(a) “Time/Temperature Control (TCS) for Safety Food” means a food that requires time/temperature control for safety to limit pathogenic microorganism growth or toxin formation. This definition is inclusive of:

(1) An animal food that is raw or heat-treated; a plant food that is heat-treated or consists of raw seed sprouts, cut melons, cut leafy greens, cut tomatoes or mixtures of cut tomatoes that are not modified in a way so that they are unable to support pathogenic microorganism growth or toxin formation, or garlic-in-oil mixtures that are not modified in a way so that they are unable to support pathogenic microorganism growth or toxin formation.

(b) “Non-TCS Foods” means any food that does not meet the definition described in subsection (a).

(ac) “Cottage Food Operations” (CFO) means a home-based non-TCS food business that produces and sells non-perishable, low-risk foods such as baked goods, jams, and dry snacks.

(bd) “Microenterprise Home Kitchen Operation” (MEHKO) means a home-based business that prepares and sells freshly cooked meals directly to consumers.

(ee) “Direct sales” means sales made directly to consumers, including in-person transactions, farmers’ markets, and local online sales.

(df) “EHDP” means the CHCC Environmental Health Disease Prevention.

(eg) “Indirect sales” means sales made through third-party businesses such as retail stores, cafés, and grocery stores.”

4. Section 3. Enactment. Chapter xx §102. Cottage Food Operations (CFOs). Language inserted reflecting that CFOs must obtain sanctuary permits from EHDP, as well as adding a new subsection V requiring date of production in labeling regulations, beginning on page 3, lines 9-19, to read:

“§ 102. Cottage Food Operations (CFOs).

(a) [unchanged.]

(1)-(6) [unchanged.]

(b) ~~Registration and Permit~~ requirements: CFOs may operate under the adherence of the following:

(1) CFOs must ~~register~~ apply for, and obtain a Sanitary Permit with the from EHDP and renew ~~registration~~ the permit annually.

(2) [unchanged.]

(3) Notwithstanding anything to the contrary, CFOs however must properly label all products with:

(i)-(iv) [unchanged.]

(v) Date of production."

5. Section 3. Enactment. Chapter xx §103(a). Language was inserted to include temporary events not to exceed 30 days as permitted activities, on page 3, line 28, to read:

"(a) Permitted activities: MEHKOs may prepare and sell freshly cooked meals from a home kitchen, or temporary events not to exceed 30 days, limited to:"

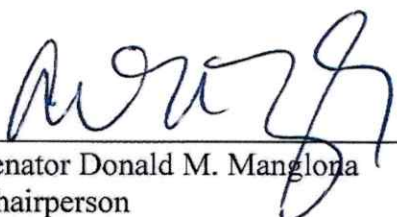
6. Section 3. Enactment. Chapter xx §105(b)(1). Language was deleted that details a \$1,000 fine for violating the provisions of the proposed legislation. Further language was inserted to reflect that the enforcement and penalties will reflect the current Public Laws that CHCC EHDP presently adheres to, beginning on page 5, lines 7-8, to read:

"(1) Any person who violates a provision of this Act or operates without registration or a permit shall be fined \$1,000 ~~a per violation~~ in accordance with 3 CMC § 2143."


III. CONCLUSION:

Your Committee agrees with the intent and purpose of the proposed legislation and recommends passage in the form of Senate Bill No. 24-31 in the form of Senate Draft 1.


Respectfully submitted,




Senator Donald M. Manglona
Chairperson



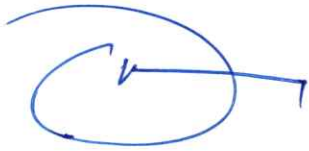
Senator Karl R. King-Nabors
Vice Chairperson



Senator Celina R. Babauta
Member



Senator Manny Gregory T. Castro
Member



Senator Francisco Q. Cruz
Member

Reviewed by:



Senate Legal Counsel

Attachments:

- Senate Bill No. 24-31, Senate Draft 1
- Letter from Esther Lizama Muna, PhD, MHA, FACHE, Chief Executive Officer, Commonwealth Healthcare Corporation, *received on May 02, 2025*
- Letter from Roman Franklin M. Tudela, MBA, Marketing Manager, CNMI Small Business Development Center, Northern Marianas College, *received on May 05, 2025*

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

FIRST REGULAR SESSION, 2024

S.B. No. 24-31, SD1

A BILL FOR AN ACT

To ensure food safety and support small food entrepreneurs sell ~~low-risk, non-perishable foods~~ non-time/temperature control (TCS) for safety food and home-cooked meals; and for other purposes.

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

1 **Section 1. Short Title.** This Act may be cited as the “Cottage Food and
2 Microenterprise Home Kitchen Operations Act of 2025.”

3 **Section 2. Findings and Purpose.** The Legislature acknowledges that the
4 Commonwealth of the Northern Mariana Islands is presently in a state of economic decline
5 that is seemingly deteriorating, given the idling tourism industry, which the
6 Commonwealth depends solely on. Furthermore, this depressed economic state adversely
7 impacts the well-being and sustainability of all citizens and many business owners
8 throughout the islands, making it difficult to remain afloat. The Legislature finds that many
9 small businesses within the Commonwealth can generate revenue using their culinary
10 talents performed within their homes; however, it is difficult absent the necessary
11 regulations in place.

12 The Legislature further finds that allowing the sale of ~~low-risk, non-perishable~~
13 ~~foods and home-cooked meals~~ Non-Time/Temperature Control (TCS) for Safety Food
14 within the Commonwealth would assist small businesses that are at risk of shutting their
15 doors due to the negative economic impact. Therefore, the purpose of this legislation is to
16 support small food entrepreneurs by allowing the sale of ~~low-risk, non-perishable foods~~
17 ~~and home-cooked~~ non-TCS meals prepared at residential kitchens, while ensuring food
18 safety through reasonable regulations.

1 **Section 3. Enactment.** Subject to codification by the CNMI Law Revision
2 Commission, the following provisions are hereby enacted to read as:

3 **“Chapter xx. Cottage Food and Micro Enterprise Home Kitchen Operations.**

4 **§ 101. Definitions.** For the purposes of this chapter:

5 (a) “Time/Temperature Control (TCS) for Safety Food” means a food that requires
6 time/temperature control for safety to limit pathogenic microorganism growth or toxin
7 formation. This definition is inclusive of:

8 (1) An animal food that is raw or heat-treated; a plant food that is heat-
9 treated or consists of raw seed sprouts, cut melons, cut leafy greens, cut tomatoes
10 or mixtures of cut tomatoes that are not modified in a way so that they are unable
11 to support pathogenic microorganism growth or toxin formation, or garlic-in-oil
12 mixtures that are not modified in a way so that they are unable to support pathogenic
13 microorganism growth or toxin formation.

14 (b) “Non-TCS Foods” means any food that does not meet the definition described
15 in subsection (a).

16 (ac) “Cottage Food Operations” (CFO) means a home-based non-TCS food
17 business that produces and sells non-perishable, low-risk foods such as baked goods, jams,
18 and dry snacks.

19 (bd) “Microenterprise Home Kitchen Operation” (MEHKO) means a home-based
20 business that prepares and sells freshly cooked meals directly to consumers.

21 (ee) “Direct sales” means sales made directly to consumers, including in-person
22 transactions, farmers’ markets, and local online sales.

23 (df) “EHDP” means the CHCC Environmental Health Disease Prevention.

24 (eg) “Indirect sales” means sales made through third-party businesses such as retail
25 stores, cafés, and grocery stores.

26 **§ 102. Cottage Food Operations (CFOs).**

27 (a) Permitted Foods: CFOs may prepare and sell non-perishable, low-risk foods,
28 including but not limited to:

29 (1) Baked goods (cookies, bread, cakes, pastries);

- 1 (2) Jams, jellies, and preserves;
- 2 (3) Dried fruits, nuts, and seeds;
- 3 (4) Dry mixes (spice blends, baking mixes);
- 4 (5) Granola and cereal bars; and
- 5 (6) Other foods determined by the CHCC Environmental Health Disease
- 6 Prevention (EHDP).

7 (b) ~~Registration and Permit~~ requirements: CFOs may operate under the adherence
8 of the following:

9 (1) CFOs must ~~register~~ apply for, and obtain a Sanitary Permit with the
10 from EHDP and renew registration the permit annually.

11 (2) CFOs must complete a food safety training course and obtain a food
12 handlers certificate from the EHDP.

13 (3) Notwithstanding anything to the contrary, CFOs however must
14 properly label all products with:

- 15 (i) Business name and address;
- 16 (ii) List of ingredients;
- 17 (iii) Allergen warnings (if applicable); ~~and~~
- 18 (iv) A statement that the product was made in a home kitchen; and
- 19 (v) Date of production.

20 (c) Cottage Food Operation Categories: CFOs may operate under the following
21 classified categories:

22 (1) Class A: Permitted for direct sales only (e.g., from home, at farmers'
23 markets, or via local online sales for home delivery).

24 (2) Class B: Permitted for both direct and indirect sales (e.g., selling to
25 stores, cafés, and restaurants).

26 **§ 103. Microenterprise Home Kitchen Operations (MEHKOs).**

27 (a) Permitted activities: MEHKOs may prepare and sell freshly cooked meals from
28 a home kitchen, or temporary events not to exceed 30 days, limited to:

- 29 (1) Breakfast, lunch or dinner;

1 (2) No pre-packaged or mass-produced foods; and

2 (3) No wholesale or third-party sales.

3 (b) Regulations and requirements: MEHKOs may operate under the adherence of
4 the following regulations and requirements:

5 (1) CHCC Environmental Health Disease Prevention:

6 (i) MEHKOs must obtain a permit from the EHDP to be renewed
7 annually; and

8 (ii) A home kitchen inspection is required before approval;

9 (2) Sales limit:

10 (i) Total annual sales may not exceed \$50,000; and

11 (ii) No more than 30 meals per day or 60 meals per week (subject to
12 adjustment by EHDP).

13 (3) Food safety standards:

14 (i) One full-time food handler (owner or employee) must be certified
15 in food safety;

16 (ii) Meals must be prepared and sold on the same day—leftovers
17 may not be stored for future sales; and

18 (iii) Proper sanitation and food handling must be maintained at all
19 times.

20 **§ 104. Exemption From Commercial Utility Rates.**

21 (a) Notwithstanding any law or regulation to the contrary, any business operating as
22 a CFO or MEHKO shall be exempt from commercial rates for the use of electric, water
23 and wastewater, and shall be assigned residential rates for electric, water, and wastewater
24 usage.

25 (b) Any business operating as a CFO or MEHKO must provide necessary
26 documentation as requested by the utility provider as proof to confirm eligibility for this
27 exemption. This exemption shall remain in effect as long as the business maintains the
28 necessary qualifications and requirements provided in this chapter.

29 **§ 105. Enforcement and Penalties.**

(a) Inspection and compliance: CFOs and MEHKOs may operate under the adherence of the following enforcement requirements:

(1) The EHDP may conduct periodic inspections to ensure compliance.

(2) Violations may result in fines, suspension, or revocation of permits.

(b) Penalties:

(1) Any person who violates a provision of this Act or operates without registration or a permit shall be fined \$1,000 ~~a per violation~~ in accordance with 3 CMC § 2143.

(2) Repeated violations may result in a prohibition from operating a CFO or MEHKO.

§ 106. Implementation. The CHCC Environmental Health Disease Prevention shall establish regulations and procedures to implement this Act within six (6) months of its effective date.

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: 03/07/25

Introduced By: /s/
Senator Donald M. Manglona

Reviewed for Legal Sufficiency by:

/s/ Antonette R. Villagomez
Senate Legal Counsel



Commonwealth Healthcare Corporation

Commonwealth of the Northern Mariana Islands

1178 Hinemlu' St. Garapan, Saipan, MP 96950



CEO-L25-678

May 2, 2025

Honorable Donald M. Manglona
Floor Leader, Senate
Chair, Senate Standing Committee on Health, Welfare, and Programs
24th Northern Marianas Commonwealth Legislature
Capitol Hill, Saipan

Subject: Commonwealth Healthcare Corporation comments on Senate Bill 24-31: the *Cottage Food and Microenterprise Home Kitchen Operations Act of 2025*

Håfa Adai, Tirow Chair Manglona and Committee Members,

The Commonwealth Healthcare Corporation (CHCC), through our Environmental Health Disease Prevention (EHDP) Program, appreciates the opportunity to submit feedback on Senate Bill 24-31, addressing Cottage Food Operations (CFO) and Microenterprise Home Kitchen Operations (MEHKO). We recognize and support the bill's intent to empower local families and small entrepreneurs through the legitimization and promotion of home-based food operations. These operations have existed informally within the CNMI and are consistent with national and global trends towards supporting community-based economic initiatives.

This bill is a forward-thinking legislative effort that can positively impact household income and local self-sufficiency. However, public health protection remains paramount, and we offer the following comments and recommendations to ensure that food safety standards are upheld while encouraging responsible growth of this sector.

First, any regulatory framework involving food production and distribution must be consistent with the foundational principle of ensuring that food is sourced from "approved sources," as defined in the CNMI-adopted Food and Drug Administration (FDA) Food Code (Title 140-20.3-101). This is critical to preserving community health and preventing foodborne illness outbreaks. The CHCC EHDP Program has identified 32 known operators that fit into either the Cottage Food or Microenterprise Home Kitchen operations. Of these, 23 are regulated under current Sanitary Permit guidelines. Nine (9) operators are actively marketing on social media without permits. This highlights the need for a comprehensive framework that encourages compliance while protecting public health.

CHCC EHDP requests clarification on certain terms or language and food safety response comments:

Subsection 101, Definitions

- Page 2, Line 3 — "Non-perishable, low-risk foods":
 - Concern: "Non-perishable" and "low-risk foods" are undefined and will lead to concerns in regulatory clarity, enforcement, and public health safety as operators

and regulators alike may struggle to determine which items qualify as nonperishable and/or low risk.

- Recommendation: Clarify and define the terms "non-perishable" and "low-risk foods" to provide a clear and enforceable standard for the types of foods permitted under this bill. We recommend aligning the definitions with established food safety regulations by incorporating the concept of non-Time/Temperature Control for Safety (non-TCS) foods. Specifically, the definition should consider critical food safety parameters such as pH and water activity (aw) factors essential in determining a food's potential to support the rapid growth of pathogenic microorganisms or the formation of toxins. This clarification will enable the CHCC EHDP Program to more effectively determine which food items are appropriate under this classification and ensure consistency with recognized food safety standards.
- Page 2, Line 10, Section (e) — "Indirect sales"
 - Concern: Indirect sales through retail outlets (e.g., grocery stores, cafés) conflict with the existing food safety requirement that all food sold in regulated establishments must come from an approved source.
 - Recommendation: Clarify that indirect sales are only permissible for operators who hold a valid Sanitary Permit issued by CHCC EHDP. This maintains consistency with current food safety standards and enforcement practices.
- Page 2, Line 24, (b)(1) — "CFO must register with the EHDP..."
 - Concern: The term "register" may cause regulatory ambiguity. It lacks the regulatory weight and clarity of the term "permit" as traditionally used in food safety language.
 - Recommendation: Replace "register" and "registration" with "apply for and obtain a Sanitary Permit" from EHDP. This ensures uniform enforcement and helps avoid legal confusion or misunderstandings among operators and enforcement officers.

Subsection 102 — Cottage Food Operation (CFO)

- Page 2, Line 27, (3) — "CFOs must properly label all products with"
 - Concern: Greater clarity is needed for products to be properly labeled to ensure public health, consumer protection, and regulatory compliance.
 - Recommendation: To align with current food regulations, labels must also include name of food product, net weight or volume, date of production, and specify list of ingredients in descending order of predominance by weight.
- Page 3, Line 7, (2) — "Class B: Permitted for both direct and indirect sales"
 - Concern: As currently written, this allows Class B CFOs to sell products in regulated food establishments (e.g., stores, restaurants), which violate the approved source requirement under the FDA Food Code unless these CFOs are permitted and inspected accordingly.

- Recommendation: Require that all Class B CFOs undergo the same permitting inspection and compliance processes as other approved food establishments. This includes periodic inspections, adherence to food safety practices, and access to training provided by CHCC EHDP Program.

Subsection 103 — Microenterprise Home Kitchen Operations (MEHKOs)

- Page 3, Line 10, (a) — “Permitted activities”
 - Concern: MEHKOs can provide direct sales to consumers. Will this include sales at Farmer’s Markets and other community events that include food vendors?
 - Recommendation: Clarify whether MEHKOs are permitted to sell at these events and ensure they meet all necessary food safety and regulatory requirements.
- Page 3, Line, 22: (2)(i) — “Total annual sales may not exceed \$50,000”
 - Concern: There needs to be a mechanism to verify compliance with annual sale limit.
 - Recommendation: Require operators to submit a copy of their previous year’s taxation reports submitted to the CNMI Department of Finance Division of Revenue and Taxation as supporting documentation during the annual permit renewal process.
- Page 3, Line 26, 3(i) --- “One full-time food handler (owner or employee) must be certified in food safety”
 - Concern: CHCC EHDP regulations require that all persons handling food must obtain a food handler certification. Under the new food code, each permitted establishment should be supervised by a certified food safety manager during operations.
 - Recommendation: Require that one Certified Food Safety Manager be designated, and that each additional employee complete the Food Safety Workshop annually to ensure compliance with food safety practices.

Subsection 105, Enforcement and Penalties:

- Page 4, Lines 18-19 — “Any person who violates a provision of this act or operates without registration or a permit shall be fined \$1,000 per violation.”
 - Recommendation: CHCC EHDP’s current regulations require a written warning for the first offense before penalties are imposed, except in cases where an imminent public health hazard exists. We recommend emphasizing education as first-line prevention before enforcement to build collaboration with the community.

Additional Comments and Recommendations:

1. Clarify Compliance Measures: The bill should outline specific compliance expectations for CFOs and MEHKOs, including:
 - a. Food safety training requirements

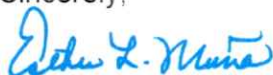
- b. Labeling standards
 - c. Traceability of ingredients and end products
 - d. Waste management protocols for home-based kitchens
- 2. Ensure CHCC EHDP regulatory authority to access (gain entry) and inspect private kitchens as deemed necessary.
- 3. Ensure requirements for pre-operational inspections.
- 4. Ensure minimum requirements for running and potable water
 - a. Water testing for onsite water storage tanks
 - b. No rainwater
 - c. Hot water available
- 5. Education and Outreach: Incorporate language into the bill that supports the CHCC EHDP's role in educating operators about food safety best practices and regulatory requirements, ensuring public awareness and accountability.
- 6. Consideration for single dwelling (household-residence) with prior regulatory compliance, CHCC EHDP may not require the CNMI Department of Public Works Occupancy Permit pre-requisite requirement.

In conclusion, CHCC EHDP supports the intent of Senate Bill 24-31 and urges the inclusion of food safety protections that align with current regulations and enforcement practices. By amending certain language and clarifying responsibilities, this bill can enhance economic opportunity while safeguarding the health of CNMI residents. CHCC EHDP recognizes start-up entrepreneurship and single-home dwelling businesses, and reaffirms, in coordination with FDA standards, established guidance benchmarks to ensure that food sold directly to consumers and to retail stores is deemed wholesome and sourced from approved suppliers.

Furthermore, the CHCC EHDP Program expects a rise in single-family participation in the CFO and MEHKO sectors. Consequently, CHCC EHDP foresees a higher volume of requests for both preemptive and routine sanitary inspections, as well as food handler permits. Additionally, an increase in concerns and complaints related to temperature control, labeling, and cross-contamination reporting is anticipated, necessitating a corresponding inspection response from CHCC EHDP. Hence, it is important for the Committee and the august body of the 24th Legislature to understand there will also be notable cost implications for the program, namely with staffing, training, and operational resources as they relate to increased inspection and compliance costs, regulatory and response expenses, and public health and safety costs, particularly if foodborne illness outbreaks occur without adequate oversight.

Thank you for the opportunity to provide comments on SB 24-31, and we look forward to continued collaboration in shaping a regulatory environment that supports innovation, public health, and public safety.

Sincerely,



Esther Lizama Muña, PhD, MHA, FACHE
Chief Executive Officer
State/Territorial Health Official

Monday, May 5, 2025

The Honorable Donald Manglona
Senator, Chairman of Health, Welfare, and Programs
24th Commonwealth Legislature
PO Box 500129
Saipan, MP 96950

Hafa Adai Honorable Chairman Manglona,

Thank you for the opportunity to provide comments on Senate Bill 24-31, "To ensure food safety and support small food entrepreneurs sell low-risk, non-perishable foods and home-cooked meals; and for other purposes."

I write in **strong support** of this bill as it provides much-needed clarity and structure for aspiring and existing home-based entrepreneurs in our community. While existing regulations on food handling already serve to protect public health, Senate Bill 24-31 takes further, essential steps by outlining specific allowances and limitations for the sale of low-risk, non-perishable foods and home-cooked meals. This detailed guidance offers entrepreneurs the assurance and consistency they need to pursue sustainable, small-scale food businesses from their homes.

This bill is not just about food safety - it is also about **economic empowerment**. By creating a clear framework for home-based food operations, it encourages entrepreneurship and supports families who seek additional income streams through local, culturally rooted food offerings. It recognizes and legitimizes a sector of our informal economy that has long contributed to our communities, often without the resources or regulatory support to grow safely and confidently.

As the Marketing Manager for the CNMI Small Business Development Center Network and President of the Society for Human Resource Management Northern Marianas Chapter (SHRM NMI), I witness firsthand the barriers that our entrepreneurs and workforce face when navigating unclear or outdated regulatory frameworks. This bill addresses those gaps by creating a supportive pathway for individuals—especially those starting from limited means—to formalize their operations and contribute to our local economy. It also aligns with workforce development efforts by encouraging responsible self-employment and enterprise growth.

In addition, I respectfully urge the Committee to consider **complementary reviews of current residential and commercial zoning regulations** in light of this bill. Ensuring that our zoning policies align with the intent of Senate Bill 24-31 will allow entrepreneurs to operate legally and without unnecessary barriers, especially those in residential areas seeking to launch or expand their home-based food businesses.

In closing, I commend the authors and sponsors of Senate Bill 24-31 for advancing legislation that thoughtfully balances public health with economic opportunity. I urge its favorable consideration and passage, along with parallel efforts to align related regulations in support of our growing community of small food entrepreneurs.

Thank you for your time and leadership.

Respectfully,



Roman Franklin M. Tudela, MBA

*Marketing Manager
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