



TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
HOUSE OF REPRESENTATIVES
COMMITTEE ON COMMERCE
P.O. BOX 500586 SAIPAN, MP 96950

THOMAS JOHN "TJ" DELA CRUZ MANGLONA
CHAIRMAN

ADOPTED
STANDING COMMITTEE REPORT NO. 24-11
DATE: April 22, 2025
RE: Senate Bill No. 24-17, SD1

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

TO THE CLERK'S OFFICE
RECEIVED BY *FB*
DATED *12-22-25* TIME *12:05 pm*

Dear Mr. Speaker:

Your Committee on Commerce to which was referred:

Senate Bill No. 24-17, SD1: To globally amend Divisions 1 and 5 of Title 4 to rename "Commonwealth Free Trade Zone Authority" to "Commonwealth Economic Incentive District Authority"; and for other purposes.

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion, your Committee recommends that Senate Bill No. 24-17, SD1, be passed by the House in its current form.

II. ANALYSIS:

A. Purpose:

The purpose of this bill is to globally amend Division 1 and Chapter 14 of Division 5 of Title 4 of the Commonwealth Code, as well as all references in any contract, Executive Order,

rule, regulation, or document, by renaming the “Commonwealth Free Trade Zone Authority” and “Free Trade Zone Authority” as the “Commonwealth Economic Incentive District Authority” and “Economic Incentive Authority,” and by renaming the “Commonwealth Free Trade Zone,” “Free Trade Zone,” and “free trade zone” as the “Commonwealth Economic Incentive Zone District,” “Economic Incentive Zone District,” and “economic incentive zone district.” These amendments aim to better reflect the program’s focus on economic incentives and to strengthen efforts to promote economic growth and diversification in the CNMI.

B. Committee Findings:

Your Committee finds that the Commonwealth Free Trade Zone Authority (“Authority”) was established under Public Law 12-20 to market and promote the CNMI free trade zones internationally, targeting businesses deemed desirable for the CNMI’s economic development and diversification; however, the term “free trade zone” may be misinterpreted by stakeholders the Authority aims to attract.

Your Committee further finds that Senate Bill No. 24-17, SD1, amends Division 1 of Title 4 of the Commonwealth Code; Chapter 14 of Division 5, Title 4 of the Commonwealth Code; and all references in any contract, Executive Order, rule, regulation, or document by renaming the “Commonwealth Free Trade Zone Authority” and “Free Trade Zone Authority” to the “Commonwealth Economic Incentive Authority” and “Economic Incentive Authority.” The bill also amends all references to the “Commonwealth Free Trade Zone,” “Free Trade Zone,” and “free trade zone” to the “Commonwealth Economic Incentive District,” “Economic Incentive District,” and “economic incentive district.”

These changes help clarify that economic incentives are being offered, thereby enhancing the Authority’s ability to market and promote the CNMI effectively. Thus, your Committee agrees with the intent and purpose of Senate Bill No. 24-17, SD1, and recommends its passage in its current form.

C. Public Comments/Public Hearing:

The Committee received comments from the following:

- Honorable Aubry M. Hocog, Mayor, Office of the Mayor of the Municipality of Rota. Comments dated March 25, 2025.

“I am writing to express my full support of Senate Bill 2417, SD1 We respectfully urge the House Representatives to support and pass Senate Bill No. 24-17, SD1, and look forward to the positive impact this change will have on our economic development efforts.”

- Honorable Ramon “RB” Blas Camacho, Mayor, Office of the Mayor of the Municipality of Saipan. Comments dated March 27, 2025.

“I write to express my support for Senate Bill No. 24-17, SD1 [T]his legislation will help us remain competitive and adaptable to evolving market conditions, ultimately benefiting business, workers, and visitors alike.”

- Remedio C. Mafnas, Secretary of Commerce, CNMI Department of Commerce. Comments dated on April 9, 2025.

“I am writing to express my full support for Senate Bill No. 24-17, SD1 I strongly support this bill and urge the House of Representatives to pass it promptly.”

Comments received have been attached as part of the committee report.

D. Legislative History:

On February 10, 2025, Senator Corina L. Magofna introduced Senate Bill No. 24-17, and after amendment and passage in the Senate, it was transmitted to the House of Representatives on March 3, 2025, and referred to the House Standing Committee on Commerce for disposition on March 11, 2025.


E. Cost Benefit:

The enactment of Senate Bill 24-17, SD1, may require some initial administrative and rebranding expenses for the CNMI government. However, the bill’s goal is to improve the promotion of economic incentives, attract more businesses, and boost economic growth, which is expected to generate increased tax revenues, create jobs, and diversify the economy. These benefits should offset the initial costs, leading to a net economic gain for the CNMI government over time.

III. CONCLUSION:

The Committee is in accord with the intent and purpose of Senate Bill No. 24-17, SD1, and recommends its passage.


Respectfully submitted,



Rep. Thomas John “TJ” DLC. Manglona
Chairman



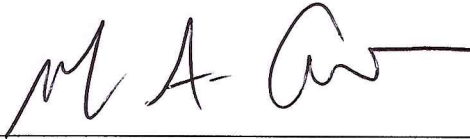
Rep. Julie M. A. Ogo
Vice Chairwoman



Rep. Blas Jonathan "BJ" T. Attao, Member



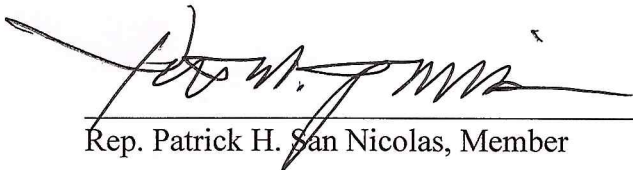
Rep. Angelo A. Camacho, Member



Rep. Malcolm J. Omar, Member



Rep. Raymond U. Palacios, Member




Rep. Patrick H. San Nicolas, Member



Rep. Roy Ada, Member

Rep. Daniel Aquino, Member

Reviewed by:



House Legal Counsel

Attachments:

- Letter dated March 25, 2025, from the Mayor of the Municipality of Rota.
- Letter dated March 27, 2025, from the Mayor of the Municipality of Saipan.
- Letter dated April 9, 2025, from the Secretary of the CNMI Department of Commerce.



COPY

THE SENATE
Twenty-Fourth Northern Marianas Commonwealth Legislature
P. O. Box 500129
Saipan, MP 96950

March 03, 2025

The Honorable Edmund S. Villagomez
Speaker
House of Representatives
24th Northern Marianas Commonwealth Legislature
Saipan, MP 96950

Dear Speaker Villagomez:

I have the honor of transmitting for your House action **Senate Bill No. 24-17, SD1**, entitled, "To globally amend Divisions 1 and 5 of Title 4 to rename "Commonwealth Free Trade Zone Authority" to "Commonwealth Economic Incentive District Authority"; and for other purposes." The Senate passed S.B. No. 24-16, SD1 by unanimous voice vote, in its 3rd Day, First Regular Session on February 28, 2025.


Sincerely,

A handwritten signature in black ink, appearing to read "Dolores S. Bermudes".

Dolores S. Bermudes
Senate Clerk

Attachment

Transmitted to HOUSE:

Received by:  Date: 3/3/2025 Time: 1:47h

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

FIRST REGULAR SESSION, 2025

S.B. NO. 24-17, SD1

A BILL FOR AN ACT

To globally amend Divisions 1 and 5 of Title 4 to rename “Commonwealth Free Trade Zone Authority” to “Commonwealth Economic Incentive Zone District Authority”; 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 the Commonwealth
2 Free Trade Zone Authority (“Authority”) was established by Public Law 12-20 “to
3 aggressively market and promote the CNMI free trade zones internationally to businesses
4 of the type determined by the Board by regulation to be desirable for the future economic
5 development and diversification of the CNMI.”

6 The Legislature further finds that the term “free trade zone” can be interpreted in a
7 way that can be confusing to the stakeholders of the businesses the Authority is tasked with
8 attracting. The Authority is best able to market and promote CNMI, in a manner that fulfills
9 its statutory duties, if the name of the Authority and the zones the Authority administrates
10 better reflect the economic incentives being offered.

11 Therefore, the purpose of this Act is to globally amend Divisions 1 and 5 of Title 4
12 to rename “Commonwealth Free Trade Zone Authority” to “Commonwealth Economic
13 Incentive ~~Zone District~~ Authority” and to rename “Commonwealth Free Trade Zone” to
14 “Commonwealth economic incentive ~~zone district~~”.

15 **Section 2. Global Amendment.** The references in Division 1 of Title 4 and Chapter
16 14 of Division 5 of Title 4 of the Commonwealth Code and all references in any contract,
17 Executive Order, rule, regulation, or document to the “Commonwealth Free Trade Zone
18 Authority” or “Free Trade Zone Authority” shall be amended to or read as the
19 “Commonwealth Economic Incentive ~~Zone~~ Authority” or “Economic Incentive ~~Zone~~

1 Authority”.

2 **Section 3. Global Amendment.** The references in Division 1 of Title 4 and Chapter
3 14 of Division 5 of Title 4 of the Commonwealth Code and all references in any contract,
4 Executive Order, rule, regulation, or document to the “Commonwealth Free Trade Zone”
5 or “Free Trade Zone” or “free trade zone” shall be amended to or read as the
6 “Commonwealth Economic Incentive ~~Zone~~ District” or “Economic Incentive ~~Zone~~
7 District” or “economic incentive-~~zone~~ district”.

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

12 **Section 5. Savings Clause.** This Act and any repealer contained herein shall not be
13 construed as affecting any existing right acquired under contract or acquired under statutes
14 repealed or under any rule, regulation, or order adopted under the statutes. Repealers
15 contained in this Act shall not affect any proceeding instituted under or pursuant to prior
16 law. The enactment of the Act shall not have the effect of terminating, or in any way
17 modifying, any liability, civil or criminal, which shall already be in existence on the date
18 this Act becomes effective.

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

Date: 02/10/25

Introduced by: /s/
Senator Corina L. Magofna

Reviewed for Legal Sufficiency by:

/s/ Antonette R. Villagomez
Senate Legal Counsel



Commonwealth of the Northern Mariana Islands
DEPARTMENT OF COMMERCE

Office of the Secretary
12054 Pohnpei Way, Capitol Hill
P.O. Box 5795 CHRB, Saipan, MP 96950
Tel: (670) 664-3000/3077
Email: info@commerce.gov.mp
Web: www.commerce.gov.mp



Arnold I. Palacios, Governor • David M. Apatang, Lt. Governor • Remedio C. Mañas, Secretary of Commerce

April 09, 2025

The Honorable Thomas John DLC Manglona
Chairman, Committee on Commerce
House of Representatives
24th Northern Marianas Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Re: Comments and Support for Senate Bill No. 24-17, SD1 – To globally amend Divisions 1 and 5 of Title 4 to rename the "**Commonwealth Free Trade Zone Authority**" to the "**Commonwealth Economic Incentive Zone District Authority**"

Dear Representative Manglona:

I am writing to express my full support for **Senate Bill No. 24-17, SD1**, which proposes an important update to our legislative framework. This bill seeks to rename the "**Commonwealth Free Trade Zone Authority**" to the "**Commonwealth Economic Incentive Zone District Authority**" and make corresponding updates to related references. Below are the key points that highlight the significance of this initiative.

Comments:

Senate Bill No. 24-17, SD1 aims to modernize the terminology used to describe our economic zones, making it more aligned with our current development objectives. By replacing "free trade" with "economic incentive," the language becomes more accurate and reflective of the broader range of benefits our zones provide.

Modernized Terminology for Clarity

The new designation better conveys the full scope of benefits offered by our economic zones—not limited to traditional trade privileges but inclusive of a variety of incentives designed to encourage investment and foster economic diversification. This updated terminology will more effectively communicate the value of our offerings to both domestic and international stakeholders.

Consistency and Comprehensive Amendment

The bill includes a comprehensive amendment to all references in **Divisions 1 and 5 of Title 4**, ensuring consistency across legal, administrative, and contractual documents. This thorough revision will eliminate confusion and ensure that our communication with investors and partners is clear and consistent.

Transitional Provisions and Stakeholder Assurance

The bill incorporates robust **transitional and savings clauses**, ensuring that existing contracts, rights, and obligations remain unaffected by the name change. This careful planning provides stakeholders with confidence as we implement these important updates.

The Hon. Thomas John DLC Manglona

Chairman, Committee on Commerce

Comments and Support for Senate Bill No. 24-17, SD1 – To globally amend Divisions 1 and 5 of Title 4 to rename the "Commonwealth Free Trade Zone Authority" to the "Commonwealth Economic Incentive Zone District Authority"

April 09, 2025

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Economic Impact and Competitive Advantage

By adopting the term "**Economic Incentive Zone District**," the CNMI positions itself as an innovative, investor-friendly jurisdiction. The updated language will strengthen our marketing efforts and improve our competitiveness as a destination for both foreign and domestic investment. Ultimately, this will help drive economic growth and diversification.

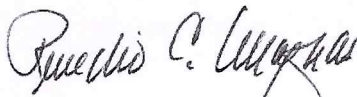
Conclusion

In summary, Senate Bill No. 24-17, SD1 is a significant step toward modernizing our legislative framework and enhancing the CNMI's investment climate. I strongly support this bill and urge the House of Representatives to pass it promptly. The Department of Commerce is fully committed to ensuring a smooth transition and using this change to further boost the CNMI's economic prosperity.

I urge the House of Representatives to pass this bill without delay. The Department of Commerce is fully committed to supporting its implementation and working collaboratively with all stakeholders to ensure its success.

We commend the author of this bill and we appreciate the opportunity to provide these comments. Thank you for your leadership and ongoing commitment to advancing the economic interests of the Commonwealth. Should you need any additional information or assistance, please do not hesitate to reach out.

Sincerely,



REMEDIOS C. MAFNAS
Secretary of Commerce

xc: DEPCOMM OG-File



Ramon "RB" Jose Blas Camacho
Mayor of Saipan

**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE MAYOR**

MUNICIPALITY OF SAIPAN
CTC Building, 2799 Teer Drive Suite A, Oleai
P.O. Box 501457 Saipan, MP 96950

(670) 234-6208 • Fax: (670) 234-1190 • Email: saipanmayor@mos.gov.mp

RECEIVED

MARCH 27, 2025 1:33PM



March 27, 2025

The Honorable Thomas John Mangiona
Chairman
Committee on Commerce
24th Northern Marianas Commonwealth Legislature
P.O. Box 500586
Saipan, MP 96950

Subject: Senate Bill No. 24-17, SD1, entitled, "To globally amend Divisions 1 and 5 of Title 4 to rename 'Commonwealth Free Trade Zone Authority' to 'Commonwealth Economic Incentive District Authority,' and for other purposes."

Hafa Adai yan Tirow Chairman Manglona,

I write to express my support for Senate Bill No. 24-17, SD1, entitled, *"To globally amend Divisions 1 and 5 of Title 4 to rename 'Commonwealth Free Trade Zone Authority' to 'Commonwealth Economic Incentive District Authority,' and for other purposes."*

This legislation represents a forward-thinking approach to strengthening our economic framework and expanding opportunities for investment and business growth in the Commonwealth. The renaming of the authority to the *Commonwealth Economic Incentive District Authority* better reflects its intended purpose and objectives.

As Mayor of Saipan, I recognize the vital need for economic stability, job creation for our people, and the expansion of services that support our tourism industry. A strong and diversified economy is essential to ensuring long-term prosperity for our residents. The proposed changes in Senate Bill No. 24-17, SD1, will enhance our ability to attract both local and foreign investment, provide sustainable job opportunities, and strengthen the foundation for a thriving tourism sector. By modernizing our economic policies, this legislation will help us remain competitive and adaptable to evolving market conditions, ultimately benefiting businesses, workers, and visitors alike.

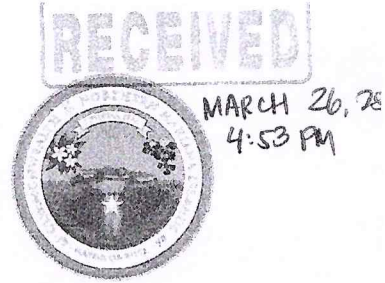
I appreciate your leadership in advancing this important measure and look forward to its positive impact on our community. Should you require any further information or discussion on this matter, please do not hesitate to contact my office at (670)234-6208.

Sincerely,

RAMON "RB" JOSE BLAS CAMACHO
Mayor, Office of the Municipality of Saipan



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE MAYOR
THE HONORABLE AUBRY MANGLONA HOCOG
Mayor of the Municipality of Rota
Mailing Address: Post Office Box 537 Rota, MP 96951
Phone: 670.532.9451/9452 * Email: mayor.ahocog@gmail.com



MOR-2025-119

March 25, 2025

The Committee on Commerce
24th CNMI Legislature
House of Representatives
Capitol Hill, Saipan, MP 96950

RE: LETTER OF SUPPORT FOR SENATE BILL NO. 24-17, SD1

Dear Honorable Members:

I am writing to express the full support of the Office of the Mayor of Rota for Senate Bill No. 2417, SD1, which proposes to globally amend Divisions 1 and 5 of Title 4 to rename the "Commonwealth Free Trade Zone Authority" to "Commonwealth Economic Incentive District Authority."

Our office recognizes that the term "free trade zone" can be confusing to stakeholders and potential investors. We agree that the proposed name change will better reflect the economic incentives offered by the CNMI and provide greater clarity about the purpose and function of this important economic development tool.

The unanimous passage of this bill by the Senate on February 28, 2025, demonstrates the broad consensus regarding the benefits of this amendment. We believe this change will enhance our ability to attract investment and promote economic development throughout the CNMI, including Rota.

We respectfully urge the House of Representatives to support and pass Senate Bill No. 24-17, SD1, and look forward to the positive impact this change will have on our economic development efforts.

Sincerely,

Aubry M. Hocog