



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

STANDING COMMITTEE REPORT NO. 24-41

DATE: October 14, 2025

RE: Senate Bill No. 24-31, SD1

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

Dear Mr. Speaker:

Your Committee on Commerce to which was referred:

**Senate Bill No. 24-31, SD1:** To ensure food safety and support small food entrepreneurs sell non-time/temperature control (TCS) for safety food and home-cooked meals; and for other purposes.

begs leave to report as follows:

### **I. RECOMMENDATION:**

After considerable discussion, your committee recommends that Senate Bill No. 24-31, SD1, be passed by the House in its current form.

### **II. ANALYSIS:**

#### **A. Purpose:**

The purpose of this Act is to promote food safety and provide support for small food entrepreneurs by enabling the sale of non-time/temperature control for safety (non-TCS) foods and home-cooked meals, among other related objectives.

TO THE CLERK'S OFFICE  
RECEIVED BY TSTB  
DATE 11/10/2025 TIME 15:15 pm

### B. Committee Findings:

Your Committee finds that the Commonwealth of the Northern Mariana Islands is currently experiencing a significant economic downturn, which appears to be worsening. This decline is primarily driven by the idling tourism industry, upon which the Commonwealth relies entirely. The adverse effects of this economic hardship are impacting the well-being and sustainability of all citizens and numerous business owners across the islands, creating a challenging environment for them to remain operational and financially stable.

Your Committee further finds that many small businesses within the Commonwealth possess valuable culinary talents that are often showcased through home-based food preparation. However, the absence of appropriate regulations makes it difficult for these small entrepreneurs to operate legally and safely, hindering their ability to generate consistent revenue and grow their businesses.

Your Committee also finds that permitting the sale of Non-Time/Temperature Control (TCS) foods for safety within the Commonwealth would provide essential support to small businesses at risk of closure due to the ongoing economic hardships. Such a measure would enable small food entrepreneurs to maximize their talents in residential kitchens, helping sustain their livelihoods.

Therefore, your Committee finds that the primary purpose of this legislation is to support and empower small food entrepreneurs by allowing the sale of non-TCS meals prepared in residential kitchens, while concurrently ensuring food safety through the implementation of reasonable and protective regulations.

### C. Public Comments/Public Hearing:

On July 21, 2025, the Committee received comments from the following:

- Remedio C. Mafnas, Secretary of Commerce, Department of Commerce - Written comment:

“This bill creates new space for community entrepreneurship, especially for those who lack access to traditional business resources. With a few thoughtful additions, it can succeed in both encouraging local innovation and protecting public health.”

On July 31, 2025, the Committee received comments from the following:

- Derek T. Sasamoto, Executive Director, Commonwealth Economic Development Authority - Written comment:

“The intent of the bill would allow small businesses to produce and sell certain

foods from a residential location. CEDA supports all initiatives that properly promote the entrepreneurial spirit and the development of small businesses. Developing the private sector is of vital importance for any economy.”

On August 1, 2025, the Committee received comments from the following:

- Honorable Aubry M. Hocog, Mayor of the Municipality of Rota - Written comment:

“On behalf of the people of Rota, I write to express our unequivocal support for Senate Bill No. 24-31, SD1, the “Cottage Food and Microenterprise Home Kitchen Operations Act of 2025.” This vital legislation represents a significant step forward in empowering our local entrepreneurs and strengthening the CNMI’s economy.”

Written comments received have been attached as part of this committee report.

#### D. Legislative History:

On May 4, 2025, Senate Bill No. 24-31 was introduced by Senator Donald M. Manglona and subsequently referred to the Senate Standing Committee on Health, Welfare, and Programs for consideration. On June 23, 2025, the Senate passed Senate Bill No. 24-31 on final reading in the form of Senate Draft 1 (SD1) by unanimous vote. The following day, June 24, 2025, the bill was transmitted to the House for further action and referred to the House Standing Committee on Commerce for disposition.

#### E. Cost Benefit:

The enactment of Senate Bill No. 24-31, SD1, will likely result in minimal to no additional costs to the CNMI government. This is primarily because the bill promotes the regulation of small-scale, home-based food businesses, such as Cottage Food Operations and Microenterprise Home Kitchen Operations, which are designed to operate within existing local health, safety, and sanitation standards. The primary administrative responsibilities, such as licensing, permits, and periodic inspections, are expected to be managed through existing channels of the Environmental Health Disease Prevention (EHDP) division, utilizing current personnel and infrastructure. The legislation emphasizes reasonable regulations and allows for registration and permit renewals without necessitating significant new resources or infrastructure investments. Furthermore, exemptions from utility rates for qualifying small food businesses will not impose additional financial burdens on the government, as these are utility exemptions rather than direct government expenditures. Overall, the bill is structured to leverage existing resources and systems, making the anticipated costs associated with its implementation and enforcement relatively low and manageable for the CNMI government.

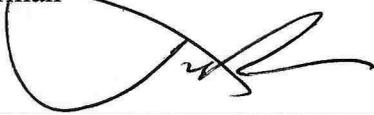
**III. CONCLUSION:**

The committee is in accord with the intent and purpose of Senate Bill No. 24-31, SD1, and recommends its passage on First and Final Reading.

Respectfully submitted,



Rep. Thomas John "TJ" DLC. Manglona  
Chairman



Rep. Roy A. Ada, Member



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



Rep. Malcolm J. Omar, Member

Rep. Patrick H. San Nicolas, Member

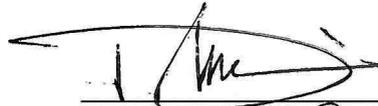
Reviewed by:



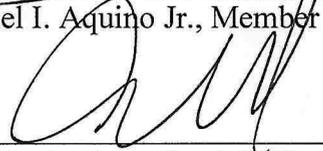
House Legal Counsel

Date: 10-20-25

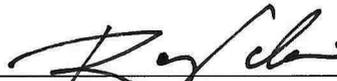
Rep. Julie M. A. Ogo  
Vice Chairwoman



Rep. Daniel I. Aquino Jr., Member



Rep. Angelo A. Camacho, Member



Rep. Raymond U. Palacios, Member

Attachments:

- Senate Bill No. 24-31, SD1, prefiled March 7, 2025
- Remedio C. Mafnas, Secretary, Department of Commerce, letter dated July 21, 2025
- Derek T. Sasamoto, Executive Director, Commonwealth Economic Development Authority, letter dated July 31, 2025
- Honorable Aubry M. Hocog, Mayor of the Municipality of Rota, letter dated August 1, 2025



Arnold I. Palacios, Governor  
David M. Apatang, Lt. Governor

*Department of Commerce*  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
P.O. Box 5795 CHRB, Saipan, MP 96950  
Website: <https://commerce.gov.mp/>  
**OFFICE OF THE SECRETARY**  
Telephone: (670) 664-3000



Remedio C. Mafnas, Secretary

July 21, 2025

Hon. Thomas John "TJ" Dela Cruz Manglona  
Chairman, House Standing Committee on Commerce  
24<sup>th</sup> Commonwealth Legislature  
Saipan, MP 96950

**Subject:** Comment Submission on SB 24-31, SD1 – Home Food Production and Sales

Dear Chairman Manglona,

We appreciate the chance to provide input on Senate Bill 24-31 SD1, which proposes to allow the sale of home-cooked meals and certain low-risk food items that do not require temperature control for safety.

The intent behind this measure, to support small food vendors and allow more flexible pathways for income generation, is timely and relevant. It opens the door for families and individuals to turn their cooking skills into micro-enterprises without the heavy costs of setting up a commercial kitchen.

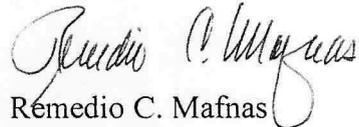
The Department of Commerce supports the overall concept, but we do recommend a few areas be addressed before the bill moves forward:

- *Clear Definitions of Allowable Foods:* To avoid any ambiguity and reduce risk, the bill should list what types of foods are permitted for home-based sale under the "low-risk" category.
- *Basic Food Safety Education:* Even if these foods are considered safe, we recommend requiring a simple orientation or online training to cover hygiene and storage standards. It helps sellers and protects consumers.
- *Optional Registration:* A light-touch registration or self-notification system would help us track participants, offer support when needed, and maintain basic accountability.

- *Consumer Labeling*: Including a requirement that food labels or receipts indicate the items were prepared in a home kitchen will help manage consumer expectations and limit liability concerns.

This bill creates new space for community entrepreneurship, especially for those who lack access to traditional business resources. With a few thoughtful additions, it can succeed in both encouraging local innovation and protecting public health.

Sincerely,



Remedio C. Mafnas  
Secretary of Commerce



July 31, 2025

The Honorable Thomas John DLC Mangloña  
Chairman, House Standing Committee on Commerce  
House of Representatives  
24<sup>th</sup> CNMI Legislature  
Capitol Hill  
Saipan, MP 96950

RE: **Senate Bill No. 24-31 SD1, entitled “To ensure food safety and support small food entrepreneurs sell low-risk, non-perishable foods nontime/temperature control (TCS) for safety food and home-cooked meals; and for other purposes.”**  
**House Bill 24-34, entitled “To streamline business licensing in the Commonwealth by establishing a business startup task force, a digital one-stop platform, a support center, and a conditional business licensing process.”**

Dear Chairman Manglona:

**Senate Bill 24-31—Short Title “Cottage Food and Microenterprise Home Kitchen Operations Act of 2025.”** The intent of the bill would allow small businesses to produce and sell certain foods from a residential location. CEDA supports all initiatives that properly promote the entrepreneurial spirit and the development of small businesses. Developing the private sector is of vital importance for any economy.

Observations:

- i. The bill may need to define “non-perishable foods” as on page 1, line 12, the term is stuck out in favor of “non-TCS” foods. Yet on page 2, line 27, non-perishable foods are listed as “Permitted Foods.” Moreover, some of the food items listed in this section seem to be perishable such as cakes, bread, and pastries, for example. Details such as this need to be clearly defined.
- ii. Monitoring, verification, and enforcement – these activities need to be clearly defined, as well. How will EHDP verify that the list of ingredients is accurate, that the ingredients used were safe/sanitary, that the items were actually made in the home kitchen, the production date, and who will determine the allergens that may exist? Can anyone make this claim, or must this claim be verified? How will EHDP verify the sales threshold, the meals per day, and that leftovers are not being sold?

Comments on S.B. 24-31 & H.B. 24-34  
July 31, 2025  
Page 2

- iii. The use of the word “may” in terms of the regulations and requirements is unclear. It gives the impression that adherence to the rules can be an option.
- iv. Enforcement and Penalties – the bill states that EHDP “may” conduct inspections. The inspection should be mandatory on a yearly basis at minimum.

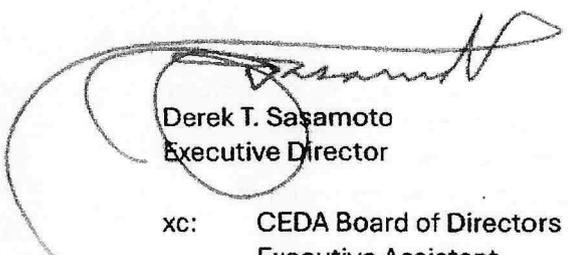
**House Bill 24-34—Short Title “CNMI OneStop Business Start-Up Act.”**

Observations:

- i. We agree with this bill’s intent to have the Department of Commerce lead this effort given they are the regulatory arm. We suggest officially transferring the business license function to the Department of Commerce from the Department of Finance to further streamline the business application process.
- ii. Add CEDA as a participant to the task force. Though CEDA is not involved in such regulatory matters, its input on matters affecting the business and investment environment are crucial.
- iii. The initial funding for the effort must be identified. It states Commerce will be responsible for implementation and procurement, but it does not identify how this will be funded.
- iv. Exemptions from the online platform fees – these fees should be mandatory. An exemption due to financial hardship for required licenses and permits seems unreasonable as a viable business should be reasonably responsible, and capable, of covering its establishment costs. Moreover, government agencies must recover their costs of administering programs to maintain and improve those programs. Fee for service should not be ignored.

We thank you for the opportunity to comment on, and collaborate on, such vital initiatives.

Respectfully,



Derek T. Sasamoto  
Executive Director

xc: CEDA Board of Directors  
Executive Assistant

RECEIVED  
DATE: 8/1/25 KM



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



MOR-2025-258

August 1, 2025

The Honorable Members  
House Standing Committee on Commerce  
24th Commonwealth of the Northern Marianas Islands Legislature  
Saipan, MP 96950

***SUBJECT: Letter of Strong Support for Senate Bill No. 24-31, SD1, "Cottage Food and Microenterprise Home Kitchen Operations Act of 2025"***

Dear Esteemed Legislators,

On behalf of the people of Rota, I write to express our unequivocal support for Senate Bill No. 24-31, SD1, the "Cottage Food and Microenterprise Home Kitchen Operations Act of 2025." This vital legislation represents a significant step forward in empowering our local entrepreneurs and strengthening the CNMI's economy.

In these challenging economic times, this bill offers a much-needed avenue for our residents to leverage their culinary talents into sustainable income. By formally recognizing and regulating Cottage Food Operations (CFOs) and Microenterprise Home Kitchen Operations (MEHKO), the Act fosters a supportive environment for small businesses to thrive, allowing for the safe sale of both low-risk, non-perishable foods and freshly prepared home-cooked meals.

Furthermore, we commend the bill's balanced approach, which prioritizes food safety through reasonable regulations, mandatory training, and clear permitting processes, while simultaneously providing crucial exemptions from commercial utility rates. These provisions will significantly reduce barriers to entry and operational costs for our budding entrepreneurs.

The "Cottage Food and Microenterprise Home Kitchen Operations Act of 2025" is a testament to our collective commitment to economic diversification and community resilience. We urge your swift and favorable consideration and passage of this essential bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Aubry M. Hocog".

Aubry M. Hocog

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

FIRST REGULAR SESSION, 2024

S.B. No. 24-31, SD1

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

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

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

24           (~~e~~) “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.**

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

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

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

5 (b) Penalties:

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

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

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

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

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

25 **Section 6. Effective Date.** This Act shall take effect upon its approval by the  
26 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