JOEL C. CAMACHO
CHAIRMAN

STANDING COMMITTEE REPORT NO. 24-54
DATE: April 2, 2026
RE: House Bill No. 24-67

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 Judiciary and Governmental Operations to which was referred:

House Bill No. 24-67: To promote government transparency, accountability, and digital accessibility by requiring standardized reporting of financial and grant information by all CNMI government entities, instrumentalities, and nonprofit recipients of public funds, in compliance with the Constitution, the Covenant, and applicable laws of the Commonwealth; and for other purposes.

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion and deliberation, your Committee recommends that House Bill No. 24-67 be passed by the House in the form of House Draft 1 (HD1).

II. ANALYSIS:

A. Purpose:

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The purpose of House Bill 24-67 is to establish the CNMI Digital Accountability and Transparency Act of 2025, requiring standardized, digital reporting of financial, procurement, and grant information by all CNMI government entities, instrumentalities, public corporations, and nonprofit recipients of Commonwealth or federal funds, to strengthen transparency, accountability, and public access in accordance with the CNMI Constitution, the Covenant, and applicable law; designate the Office of Management and Budget, the Department of Finance, and the Office of the Public Auditor to set standards, enforce compliance, and audit reporting practices; and ensure timely, accurate, and searchable online disclosures so residents can readily review government spending and grant activity.

B. Committee Findings:

Your Committee finds that transparency is a cornerstone of good governance: Article II of the CNMI Constitution guarantees the public's right to access government information, and the Covenant with the United States underscores the Commonwealth's duty to sound fiscal management; together these obligations make clear the legal and ethical need for consistent, open reporting of public funds so citizens can hold government accountable.

Your Committee finds that fragmented and inconsistent financial reporting weakens oversight and public trust, and that adopting standardized, machine readable reporting based on proven models like the U.S. DATA Act will increase accuracy, make comparisons straightforward, and speed detection of errors or misuse, enabling residents, lawmakers, and auditors to more easily track spending, procurement, and grants across agencies and years.

Your Committee finds that clear assignment of responsibilities is essential: the Office of Management and Budget should set uniform technical standards, the Department of Finance should run and maintain a centralized transparency portal and publish summaries, and the Office of the Public Auditor should audit compliance and refer wrongdoing for enforcement; covered entities, including nonprofits receiving public funds, must submit certified, machine readable reports on a set schedule and have access to fair appeal and correction processes.

Your Committee finds that statutory alignment, rulemaking authority, and dedicated funding are required to integrate digital reporting with existing procurement, budgeting, accounting, and open government laws, to establish common data definitions, submission protocols, and validation checks, and to rely initially on external grants where possible while reserving General Fund support for oversight so the transparency system is built and sustained without disrupting core government services.

C. Committee Amendments:

Your Committee made the following amendments to the strengthen the intent of this Act.

1. Page 7, Lines 1-6: Deleted paragraph to read as follows:

"(a) ~~Department of Finance~~

~~(1) Two hundred fifty thousand dollars ($250,000.00) from the General Fund is hereby appropriated for Fiscal Year 2026 for the establishment, operation, and maintenance of the centralized CNMI Transparency and Accountability Portal, including software, hardware, staffing, and training.~~"

2. In the following locations, the following was deleted:

   a. Page 7, Line 1: Beginning of the line, delete "(2)"
   b. Page 7, Line 15: After "hereby", delete "appropriated"

3. In the following locations, the following was inserted:

   a. Page 7, Line 9: After "of", insert "establishing"
   b. Page 7, Line 10: Beginning of the line, insert "maintaining, and"
   c. Page 7, Line 15: After "hereby", insert "reserved"

D. Public Comments:

Your Committee solicited written and oral testimony; however, no submissions were received either prior to or on the day of the Committee meeting held April 2, 2026.

E. Legislative History:

On October 9, 2025, Representative Marissa R. Flores introduced House Bill No. 24-67, which was referred to the House Standing Committee on Judiciary and Governmental Operations. Your Committee convened on April 2, 2026, and after thorough review, discussion, and deliberation, recommends that the House pass House Bill No. 24-67 in the form of House Draft 1.

F. Cost Benefit:

The enactment of House Bill No. 24-67, HD1, will result in minimal net cost to the CNMI government because initial portal development and implementation are to be funded primarily with external federal or other grants, a modest $100,000 General Fund reservation is provided for OPA oversight, and ongoing expenses can be absorbed through existing agency budgets and OPA's constitutional appropriation; furthermore, expected savings from improved financial controls, reduced errors and fraud, streamlined reporting, and greater procurement efficiency are likely to offset recurring administrative and maintenance costs.

III. CONCLUSION:

Your Committee is in accord with the intent and purpose of House Bill No. 24-67 and recommends its passage in the form of HD1.

Respectfully submitted,

Rep. Joel C. Camacho
Chairman

Rep. Blas Jonathan "BJ" T. Attao
Vice Chairman

Rep. Vincent S. Aldan, Member

Rep. Daniel I. Aquino Jr., Member

Rep. Angelo A. Camacho, Member

Rep. Diego V.F. Camacho, Member

Rep. Marissa R. Flores, Member

Rep. Joseph A. Flores, Member

Rep. Julie A. Ogo, Member

Rep. John Paul P. Sablan, Member

Rep. Ralph N. Yumul, Member

Reviewed by:

House Legal Counsel

Date: 4-8-26

Attachments:

- House Bill No. 24-67, House Draft 1 (HD1)

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 9, 2025

Second Regular Session, 2025 **H. B. 24-67, HD 1**

A BILL FOR AN ACT

To promote government transparency, accountability, and digital accessibility by requiring standardized reporting of financial and grant information by all CNMI government entities, instrumentalities, and nonprofit recipients of public funds, in compliance with the Constitution, the Covenant, and applicable laws of the Commonwealth; and for other purposes.

BE IT ENACTED BY THE 24TH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Short Title. This Act shall be known and may be cited as the "CNMI Digital Accountability and Transparency Act of 2025 (CNMI-DATA Act).".

Section 2. Finding and Purpose. The Legislature finds that transparency is a cornerstone of good governance and a fundamental constitutional principle in the Commonwealth of the Northern Mariana Islands (CNMI). Article II of the CNMI Constitution guarantees the people the right to access public information, ensuring that government operations remain open and accountable. This commitment is reinforced by the Covenant between the CNMI and the United States, which calls for sound governance and rigorous financial accountability.

Furthermore, the Legislature finds that to uphold this standard, public funds must be consistently tracked and reported in a manner that is accurate, comprehensive, and accessible. Drawing on the U.S. DATA Act as a model, the CNMI recognizes the importance of standardized financial reporting and seeks to implement similar measures to provide clear and reliable information to the public. These requirements apply broadly across government and related entities. All executive departments, offices, commissions, instrumentalities, and public corporations-along with nonprofit organizations receiving CMI or federal funds-are expected to comply with these standards. Leadership and oversight are critical: the Office of Management and Budget (OMB), the Department of Finance (DOF), and the Office of the Public Auditor (OPA) are responsible for establishing, enforcing, and auditing digital financial reporting practices. Ultimately, public trust depends on accessibility. Residents of the CNMI should be able to review government spending, procurement, and grant activity through clear, timely, and searchable online reports, ensuring transparency and accountability at every level of government. Therefore, the purpose of the Act is to ensure uniform digital reporting of financial data, increase accountability, and expand public access.

Section 3. <u>Enactment.</u> Subject to codification by the CNMI Law Revision Commission, the following is hereby enacted into law:

"Section 101. CNMI-DATA Act.

Section 102. Definitions. For the purpose of this Act, the following terms shall have the meanings ascribed to them in this section:

(a) "Covered Entity" means any CNMI executive department, office, bureau, agency, commission, instrumentality, public corporation, or nonprofit recipient of CNMI public funds.

(b) "Digital Report Standards" means uniform data elements, codes, and formats established by OMB and DOF in consultation with OPA.

(c) "Public Funds" includes appropriations from the General Fund, Special Funds, Federal grants administered by the CNMI, and any other funds subject to legislative appropriation or oversight.

Section 103. Applicability.

This ACT shall apply to the following:

(1) All government secretaries and department heads appointed with the advice and consent of the CNMI Senate.

(2) All CNMI agencies, offices, commissions, instrumentalities, and public corporations.

(3) All nonprofit organizations receiving CNMI or federal funds administered by the CNMI government.

Section 104. Digital Reporting Requirements.

(a) Quarterly Reporting. Each covered entity shall submit a digital financial report to OMB and DOF within thirty (30) days following the close of each fiscal quarter.

(b) Standardized Data Elements. Reports shall include:

(1) Entity Identifier: Agency/Instrumentality/Nonprofit name and CNMI Tax ID.

(2) Funding Source: General Fund, Special Fund, Federal Grant, or other.

(3) Appropriation Data: Public Law number, budget activity, and amount authorized.

(4) Obligations: Funds legally committed but not yet expended.

(5) Expenditures: Amount disbursed, broken down by object class.

(6) Vendors/Recipients: Name, address, and type.

(7) Procurement Method: Competitive bid, sole-source, emergency, or exempt.

(8) Performance Measures: Outcome indicators tied to program objectives.

(c) Data Format. All submissions must be in machine-readable, non-proprietary formats (CSV, XML, JSON, or other approved formats) and compatible with the Department of Finance's centralized portal.

(d) Timeliness: Nonprofits must submit an annual financial report within one hundred twenty (120) days of fiscal year close.

(e) Certification. Reports must be certified under penalty of perjury by the responsible Secretary, Director, or Chief Executive Officer.

Section 105. Oversight and Enforcement.

(a) The Office of Management and Budget shall issue uniform reporting standards under 1 CMC §§ 9101 et seq. and ensure cross-agency consistency.

(b) The Department of Finance shall:

(1) Maintain the centralized online transparency portal;

(2) Publish quarterly and annual summary reports;

(3) Enforce withholding of allotments or penalties only after ten

(c) The Office of the Public Auditor shall audit reports, publish findings, and refer misreporting to the Attorney General.

(d) Civil Liability. Officers or directors knowingly filing false reports are liable under 7 CMC §§ 3401-3405.

(e) Withholding and Recoupment. Penalties or fund suspension apply after the grace period has elapsed.

Section 106. Rulemaking Authority. The Office of Management and Budget, the Department of Finance, and the Office of the Public Auditor shall jointly promulgate regulations establishing:

(1) Uniform data dictionaries;

(2) Electronic submission protocols;

(3) Validation/error-checking procedures;

(4) Corrective measures for inaccurate reports;

(5) Penalties for late or false submissions;

(6) Cross-references to Procurement, Budgeting and Accounting, and Nonprofit Reporting statutes.

Section 107. Harmonization with Existing Laws. This Act shall read in harmony with:

(1) The CNMI Constitution;

(2) The Covenant with the United States;

(3) The Budgeting and Accounting Act (1 CMC §§ 7201 et seq.);

(4) Procurement Regulations (1 CMC §§ 7801 et seq.);

(5) The Public Auditor Act (1 CMC §§ 2301-2319);

(6) The Administrative Procedure Act (1 CMC §§ 9101 et seq.);

(7) The Open Government Act (1 CMC §§ 9901 et seq.)

(8) The Nonprofit Reporting Act (1 CMC §§ 7701-7706).

Section 108. Appropriations.

(a) ~~Department of Finance~~

~~(1) Two hundred fifty thousand dollars ($250,000.00) from the General Fund is hereby appropriated for Fiscal Year 2026 for the establishment, operation, and maintenance of the centralized CNMI Transparency and Accountability Portal, including software, hardware, staffing, and training.~~

~~(2)~~ The Department of Finance shall first use external funds awarded or appropriated by the federal government or other governmental sources for the purposes of establishing, supporting, maintaining, and enhancing the Transparency Portal, provided that such funds are reported in compliance with this Act and application CNMI financial laws.

(b) Office of the Public Auditor (OPA).

(1) One hundred thousand dollars ($100,000.00) from the General Fund is hereby reserved ~~appropriated~~ for oversight, compliance auditing, and enforcement of this Act.

(2) Extraordinary costs will be covered by OPA's one percent (1%) constitutional appropriation under Article III § 12, subject to legislative appropriation.

(c) Expenditure Authority. Vested in the Secretary of Finance for subsection (a) and in the Public Auditor for subsection (b).

(d) Non-Lapse. Funds remain available until fully expended for the purposes of this Act.

Section 109. Appeals Procedure.

(a) Right to Appeal. Covered entities may appeal enforcement actions within thirty (30) calendar days.

(b) Filing. Appeals must be in writing, specifying the action, grounds, and supporting evidence.

(c) Reviewed by OMB. OMB shall review in consultation with DOF and OPA, issuing a written decision within twenty (20) calendar days.

(d) Grace Period During Appeal. The ten (10) day grace period remains in effect while the appeal is pending; no funds withheld or penalties applied.

(e) Judicial Review. Aggrieved parties may seek review in Commonwealth Superior Court.

(f) No waiver of Compliance. Appeals do not exempt timely reporting or correction of deficiencies."

Section 4. Severability. If any provisions 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 90 days after its approval by the Governor, or it becoming law without such approval.

Prefiled: 10/6/2025

Date: ______________ Introduced by: /s/ Rep. Marissa R. Flores
/s/ Rep. Vincent R. Aldan
/s/ Rep. Blas Jonathan "BJ" T. Attao
/s/ Rep. Diego V. F. Camacho
/s/ Rep. Joel C. Camacho

Reviewed for Legal Sufficiency by:

/s/ Joseph L.G. Taijeron, Jr
House Legal Counsel

Date: 10/6/2025