

**TWENTY-SECOND NORTHERN MARIANAS COMMONWEALTH**

**LEGISLATURE**

**IN THE HOUSE OF REPRESENTATIVES**

\_\_\_\_\_  
Session, 2022

\_\_\_\_\_  
H. B. 22-109

**A BILL FOR AN ACT**

To amend the Commonwealth Disaster Price Freeze Act of 1996 to provide for a flexible response to the economic challenge posed by the COVID-19 health emergency; and for other purposes.

**BE IT ENACTED BY THE 22<sup>ND</sup> NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

1           **Section 1. Short Title.** This act may be cited to as the “Price Control Act  
2 of 2022.”

3           **Section 2. Findings and Purpose.** The Legislature finds that inflation,  
4 rising fuel costs, the ongoing economic fallout from the COVID-19 pandemic,  
5 reduced tourism, and other factors have contributed to a difficult fiscal environment  
6 for the people of the Marianas. Accordingly, it is the sense of this body that all tools  
7 at the disposal of this government should be wielded to reduce this economic  
8 burden on our constituents.

9           To ensure that key consumer goods necessary for the people’s livelihood  
10 remain within their reach, this Act therefore amends the Commonwealth Disaster  
11 Price Freeze Act of 1996 to permit the government to respond to the economic

1 challenges of health emergencies. The existing law permits the governor to  
2 implement a temporary price freeze in the event of a typhoon or natural disaster.  
3 With this new legislation, the governor would have the flexibility to impose caps  
4 on increases in prices which businesses may charge for consumer goods indexed to  
5 consumer prices. While acknowledging that imposing price caps is a significant  
6 interjection into market transactions, the Legislature finds that these times of crisis  
7 call for extraordinary measures to safeguard the community.

8       **Section 3. Amendment.** Title 4, Division 5, Chapter 1, Section 5142 is  
9 hereby amended to read as follows:

10       **§ 5142. Price Freeze or Cap.**

11       (a) Declaration. Upon the Governor's declaring that the Commonwealth is  
12 in typhoon condition two, or tropical storm condition one, or in case of the  
13 Governor's declaration of a state of significant emergency or a state of major  
14 disaster, including a public health emergency, pursuant to his or her constitutional  
15 power to do so, the Governor may declare a price freeze or cap, which shall last  
16 until the Governor rescinds the price freeze or cap, or the declaration of emergency  
17 or disaster is terminated.

18       (b) Effects. Upon the declaration of a price freeze, all prices of items for  
19 sale, and housing rentals including apartments and condos, shall be frozen until the  
20 Governor rescinds the price freeze or the declaration of emergency or disaster is  
21 terminated. Upon the declaration of a price cap, all prices of items for sale, and



1 housing rentals including apartments and condos, shall be permitted to increase by  
2 no more than the increase in the Consumer Price Index of the U.S. Bureau of Labor  
3 Statistics in a given month, until the Governor rescinds the price cap or the  
4 declaration of emergency or disaster is terminated.

5 (c) Price Increases Illegal During Duration of the Freeze or Constrained  
6 during Duration of a Cap. While a price freeze is in effect, it shall be illegal to raise  
7 the price of any of items for sale or housing rentals including apartments and  
8 condos. In the event of an indexed cap, it shall be illegal to raise the price of any of  
9 items for sale or housing rentals including apartments and condos beyond the  
10 monthly increase in the Consumer Price Index of the U.S. Bureau of Labor  
11 Statistics.

12 **Section 4. Amendment.** Title 4, Division 5, Chapter 1, Section 5143 of the  
13 Commonwealth Code is hereby amended to read as follows:

14 **§ 5143. Penalties.**

15 (a) Criminal Penalties. Any person who sells, or presents for sale, an item  
16 whose price has been unlawfully raised or increases, to a degree made unlawful  
17 under section 5142 of this chapter, housing rentals, including apartments and  
18 condos, while a price freeze or cap was in effect, ~~shall be guilty of a felony,~~ and  
19 shall be subject to a penalty of not more than \$10,000 or one year of imprisonment,  
20 or both.

1 (b) Civil Penalties. Any person who sells, or presents for sale, an item  
2 whose price has been unlawfully raised or increases, to a degree made unlawful  
3 under section 5142 of this chapter, housing rentals including apartments and condos  
4 while a price freeze or cap was in effect shall be liable for a civil penalty not to  
5 exceed \$2,500 for each violation.

6 **Section 5. Severability.** If any provisions of this Act or the application of  
7 any such provision to any person or circumstance should be held invalid by a court  
8 of competent jurisdiction, the remainder of this Act or the application of its  
9 provisions to persons or circumstances other than those to which it is held invalid  
10 shall not be affected thereby.

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

Prefiled: 7/15/2022

Date: 7-15-22

Introduced by:

Rep. Corina Magofna

Reviewed for legal sufficiency by:

House Legal Counsel