

TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

Regular Session, 2024

H. B. 23-102

A BILL FOR AN ACT

To establish the Commonwealth of the Northern Marianas Price Council (CPC) to regulate and monitor prices to safeguard the public health, safety, and general welfare of the people of the CNMI; ensure fair pricing practices; protect consumers from exploitation; promote market stability; and for other purposes.

BE IT ENACTED BY THE 23RD NORTHERN MARIANAS

COMMONWEALTH LEGISLATURE:

1 **Section 1. Findings and Purposes.**
2 The Legislature finds that the Commonwealth of the Northern Mariana
3 Islands (CNMI) faces a concerning issue regarding commodity pricing, particularly
4 on the islands of Rota and Tinian, where competition among companies is notably
5 lacking. Despite previous attempts by the Legislature to lower these unreasonable
6 prices through indirect measures, such as waiving inter-island wharfage fees at
7 CNMI ports, the average cost of commodities in the CNMI continues to rise.
8 Recognizing the unknown efficacy of these indirect measures coupled with the
9 importance of making essential goods, commodities, and services available at
10 reasonable prices, the Legislature finds it necessary to establish and empower a

1 body to develop and implement direct price controls to safeguard the public health,
2 safety, and general welfare of the people of the CNMI; ensure fair pricing practices;
3 protect consumers from exploitation; promote market stability; and for other
4 purposes.

5 Today, if someone needs an essential product immediately, that person will
6 often be required to pay an unreasonably high price due to a lack of competition
7 between on-island vendors. These high prices limit access to essential goods and
8 services, requiring many people to resort to ordering the needed products online for
9 financial reasons. This results in significant delays due to the geographical isolation
10 of the CNMI.

11 Clearly, this state of affairs threatens the public health, safety, and general
12 welfare of the people of the CNMI because citizens will have to wait typically at
13 least three weeks for their needed products to arrive. Further, the Legislature
14 acknowledges that unreasonably high prices disproportionately affect the
15 impoverished, and in the CNMI, according to 2020 US Census Data, approximately
16 one-third of the population lives in poverty. This underscores the importance of the
17 CPC in regulating prices to combat the adverse effects of exploitative pricing.

18 Therefore, the purpose of this Act is to establish the Commonwealth of the
19 Northern Marianas Price Council (CPC) to safeguard the public health, safety, and
20 general welfare of the people of the CNMI from exploitative pricing; ensure fair

1 pricing practices; protect consumers from exploitation; promote market stability;
2 and for other purposes.

3 **Section 2. Amendment.**

4 A new “Article 13. Commonwealth Price Council” shall be added to Title
5 1, Division 2, Part 1, Chapter 1 of the Commonwealth Code to read as follows:

6 **§ 20221. Short Title.**

7 This Act may be cited as the Commonwealth of the Northern Marianas Price
8 Council (CPC) Act of 2024.

9 **§ 20222. Definitions.**

10 (a) “Consumer” means any individual or entity purchasing commodities,
11 goods, or services within the Commonwealth for personal or commercial use.

12 (b) “Commonwealth of the Northern Mariana Price Council (CPC)” means
13 the regulatory body overseeing price regulation in the CNMI that is established
14 pursuant to this Article.

15 (c) “Commodity” means any good, product, or article of trade that is subject
16 to purchase, sale, or exchange, and which is generally uniform in quality and nature,
17 such that it can be traded interchangeably with other goods of the same type without
18 regard to the source of production or origin.

19 (d) “CNMI” means the Commonwealth of the Northern Mariana Islands.

20 (e) “Person” means any natural person, corporation, partnership, limited
21 liability company, association, trust, or other legal entity recognized by law as

1 having legal rights and obligations, capable of entering into contracts, owning
2 property, and being subject to legal proceedings, regardless of whether such entity
3 is created by statute, charter, or is otherwise established under the laws of any
4 jurisdiction.

5 (f) "Price regulation" means the process of setting, monitoring, and
6 adjusting prices in a particular sector or industry to safeguard the public health,
7 safety, and general welfare of the people of the CNMI; ensure fair pricing practices;
8 protect consumers from exploitation; promote market stability; and for other
9 purposes.

10 § 20223. Establishment of the Commonwealth of the Northern
11 Marianas Price Council (CPC).

12 The Commonwealth of the Northern Marianas Price Council (CPC) is hereby
13 established within the Office of the Governor.

14 § 20224. CPC Board of Directors; composition; appointment;
15 organization; quorum; compensation.

16 (a) The affairs of the CPC shall be governed and controlled by a CPC Board
17 of Directors.

18 (b) The CPC Board of Directors shall be comprised of 5 members: at least
19 one from Rota, one from Tinian, two from Saipan, and one from the CNMI
20 Department of Commerce.

1 (c) Members shall be appointed by the Governor of the CNMI and serve for
2 a term of 4 years. Initially, two members shall serve a two-year term and three
3 members shall serve a four-year term—the terms to be selected by a drawing of
4 lots. Each member replacing a board member after his original term, shall serve a
5 four-year term. Any member may be reappointed to serve successive terms.

6 (d) Members shall organize by electing a CPC Chairperson and establishing
7 by-laws and standing committees. Standing Committee Chairpersons shall be
8 appointed by the CPC Chairperson.

9 (e) Every two years, the board shall elect its Chairperson, who shall preside
10 over the meetings of the board.

11 (f) A quorum for meetings and transacting business shall be three members.
12 An affirmative vote of three board members shall be required for all actions by the
13 board. Unless otherwise provided for by law, all decisions of the board shall be
14 made by a majority of those members present and voting when a quorum is present.

15 (g) The members of the board shall be compensated pursuant to 1 CMC
16 § 8247 and may be reimbursed for any reasonable and necessary expenses incurred
17 in the performance of their duties in accordance with CNMI law. Rules and rates
18 for travel and per diem rates shall be the same as those established for the executive
19 branch.

20 **§ 20225. Powers and Duties of the CPC.**

21 The CPC shall have the following powers and duties:

1 (a) Establish administrative procedures, guidelines, and enforcement
2 mechanisms to fulfill its duties under this Article.

3 (b) Monitor and regulate prices of commodities and essential goods and
4 services in the Commonwealth to safeguard the public health, safety, and general
5 welfare of the people of the CNMI; ensure fair pricing practices; protect consumers
6 from exploitation; promote market stability; and for other purposes.

7 (c) Establish regulations, rules, standards, principles, guidelines, and
8 criteria regarding price regulation.

9 (d) Collaborate with relevant industry stakeholders and consumer advocacy
10 groups to further the purposes of this Article.

11 (e) Collaborate with the CNMI Office of Consumer Counsel to investigate
12 complaints of unfair pricing practices and to take appropriate enforcement actions
13 to rectify violations.

14 (f) Collaborate with the CNMI Department of Commerce to evaluate
15 information related to price controls, including relevant economic factors,
16 consumer needs, and industry practices and to conduct regular assessments of
17 market conditions, price trends, and factors affecting prices in the Commonwealth.

18 (g) Employ personnel to effectuate the purpose of this Article.

19 (h) Publish regular reports and recommendations on price regulation,
20 market trends, and consumer protection initiatives in the Commonwealth.

1 **§ 20226. Price Regulation.**

2 (a) All persons selling commodities, goods, or services that are affected by
3 a price regulation promulgated by CPC shall not be required to continue to provide
4 those commodities, goods, or services. Nothing in this Article shall be construed to
5 require any person to sell any item or to provide any service.

6 (b) The CPC shall not adopt any price regulation that is arbitrary,
7 discriminatory, or demonstrably irrelevant to any power or duty held by the CPC.

8 (c) The CPC shall not set prices or rates for the autonomous agencies of the
9 CNMI.

10 (d) Price regulations may be established on a class or industry-wide basis,
11 even if they disproportionately negatively impact particular property owners. Price
12 control measures must be of a limited short duration. All price controls established
13 by the CPC must possess a reasonable relation to a legitimate governmental
14 purpose.

15 (e) Price regulations shall be promulgated in accordance with the CNMI
16 Administrative Procedure Act, 1 CMC §§ 9101 *et. seq.*

17 **Section 3. Severability.**

18 If any provision of this Act or the application of any such provision to any
19 person or circumstance should be held invalid by a court of competent jurisdiction,
20 the remainder of this Act or the application of its provisions to persons or
21 circumstances other than those to which it is held invalid shall not be affected
22 thereby.

1 **Section 4. Savings Clause.**


2 This Act and any repealer contained herein shall not be construed as
3 affecting any existing right acquired under contract or acquired under statutes
4 repealed or under any rule, regulation, or order adopted under the statutes.
5 Repealers contained in this Act shall not affect any proceeding instituted under or
6 pursuant to prior law. The enactment of the Act shall not have the effect of
7 terminating or in any way modifying, any liability, civil or criminal, which shall
8 already be in existence on the date this Act becomes effective.

9 **Section 5. Effective Date.**

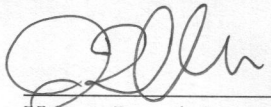
10 This Act shall take effect upon its approval by the Governor, or it becoming
11 law without such approval.

Prefiled: 3/22/2024

Date: 03/22/24

Introduced by: 
Rep. Julie M. A. Ogo

Reviewed for Legal Sufficiency by:

 3/22/24
House Legal Counsel

