



David M. Apatang Governor



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS OFFICE OF THE GOVERNOR

September 11, 2025

GOV2025-241

The Honorable Karl R. King-Nabors President The Senate; Twenty-Fourth Northern Marianas Commonwealth Legislature Saipan, MP 96950

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

Dear Mr. President and Mr. Speaker:

This is to inform you that I have signed into law **Senate Bill No. 24-08**, entitled, "To amend certain provisions of the CNMI Recycling Act of 1999 to establish the Department of Public Works as its proper authority; and for other purposes.", which was passed by the Senate and the House of Representatives of the Twenty-Fourth Northern Marianas Commonwealth Legislature.

This bill becomes Public Law No. 24-12. Copies bearing my signature are forwarded for your reference.

Sincerely,

DAVID M. APATANG

Governor

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cc: Lieutenant Governor; Attorney General; Commonwealth Law Revision; Public Auditor; Department of Public Works; BECQ; Department of Finance; Special Assistant for Administration; Programs and Legislative Review Office



THE SENATE TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

SENATE BILL NO. 24-08

AN ACT

To amend certain provisions of the CNMI Recycling Act of 1999 to establish the Department of Public Works as its proper authority; and for other purposes.

SENATE ACTION

Offered by Senator(s): Manny Gregory T. Castro

Date: January 27, 2025

Referred to: Committee on Resources, Economic Development, and Workforce

Standing Committee Report No.: 24-13 adopted on 06/23/25

Final Reading: July 14, 2025

HOUSE ACTION

Referred to: None

Standing Committee Report No.: N/A

Final Reading: July 31, 2025

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Senator Francisco Q. Cruz SENATE LEGISLATIVE SECRETARY

THE SENATE TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

FIRST REGULAR SESSION, 2025

S.B. NO. 24-08

AN ACT

To amend certain provisions of the CNMI Recycling Act of 1999 to establish the Department of Public Works as its proper authority; and for other purposes.

BE IT ENACTED BY THE TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Findings and Purpose. The Legislature finds that CNMI Public Law 11-122, codified under 2 CMC § 3511 et seq., entitled, "Commonwealth Recycling Act of 1999", was enacted to establish a long-term disposal capacity for the Commonwealth. The specified public law also established the Advance Disposal Fee Program for specific materials deemed viable for diversion and the promulgation authority for such a program. Cognizant of Solid Waste Management being under the Department of Public Works (DPW), the Legislature finds that it would be appropriate to amend certain sections of the Commonwealth Recycling Act to grant DPW the promulgation authority to carry out the Advanced Disposal Fee Program. As the agency whose purview includes Solid Waste Management, it has a better understanding of the management and operation of the pertinent facilities. Hence, it is appropriate for the DPW to manage the Advance Disposal Fee program.

Therefore, the purpose of this Act is to amend certain provisions of the CNMI Recycling Act of 1999 to establish the Department of Public Works as the proper authority.

Section 2. Amendment. 2 CMC § 3532 is amended to read as follows:

"§3532. Advance Disposal Fees.

There is hereby established within the Division of Environmental Quality Department of Public Works (DPW), the authority to develop Advance Disposal Fees (ADFs) for specific

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 materials deemed viable for diversion. Those items taxed under 4 CMC § 1405 shall be exempt from any advance disposal fee under this chapter. The division is hereby authorized to evaluate those specific materials and develop a fee structure through regulation that will provide the proper economic support for diversion programs.

In evaluating the benefits of diverting various materials from disposal, the DEQ <u>DPW</u> should consider the environmental and economic benefits of diversion, the existing and potential markets for the material, and the existing collection and processing infrastructure.

The evaluation should be based on the following:

- (a) The environmental impacts of the material, both from disposal and from improper management;
 - (b) The toxicity of the material within the waste stream;
 - (c) The quantities of the material within the waste stream;
 - (d) The strength and stability of markets for the material;
- (e) The ease of separation and collection of the material using existing equipment and technology; and
- (f) The local benefits, both environmental and economic of on-island uses for products produced from the material."

Section 3. Amendment. 2 CMC § 3533 is hereby amended to read as follows:

"§3533. Promulgation of Regulations.

The DEQ Department of Public Works (DPW) shall promulgate rules and regulations establishing a specific Advance Disposal Fee program for each material. In developing these regulations and procedures, the legislature intends that, whenever possible, the product importer or wholesaler shall have a role in the collection and redemption process, either through directly developing redemption agreements with the product retailers or by contracting out for buyback services with permitted recyclers. The ADF program shall include (where appropriate):

(a) The amount of the fee necessary to create a self-sufficient diversion program, including collection, processing, and shipping costs; provide adequate incentive to the public to return the material, administer the program, and provide for public education. The

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development of the fee should include an assessment of both the total costs of diversion and any revenue from the sale of the material.

- (b) The method of collection of the fees, the establishment of accounting procedures for the money collected, and a process for auditing payment by importers.
- (c) Administrative sanctions pursuant to 1 CMC §§ 9101 et seq. for failure to comply with rules and regulations promulgated in support of this legislation.
- (d) Details of the specific use of the funds, including the establishment of various methods of disbursement (grants, contracts, avoided cost payments, etc.)
 - (e) A program for market development, public education and outreach.
- (f) The establishment of the specific responsibilities of retailers and wholesalers in the collection of the materials, payment of rebates, and education of consumers.
- (g) The establishment of specific responsibilities of retailers and wholesalers who import or sell materials subject to the provisions of this chapter.

When developing a fee and diversion program, each specific material should be considered separately, except when collection, processing, or marketing issues indicate a benefit for co-management. The rules and regulations shall be developed according to the material diversion priorities established by DEQ <u>DPW</u> and shall be material specific."

Section 4. <u>Amendment.</u> 2 CMC § 3534 of the Commonwealth Code is hereby amended to read as follows:

"§3534. Funding of Diversion Activities.

- (a) There is hereby created within the Commonwealth Treasury an Environmental Management Fund. All funds collected through the imposition of Advance Disposal Fees shall be deposited in this fund, specifically established for the diversion of the specific materials through:
 - (a)(1) Internal operations and shared agency costs such as the operation of collection and transfer facilities for recyclable materials;
 - (b)(2) Contracting for the private sector operation of collection and processing activities;

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(e)(3) Payment of Avoided Costs Payments to permitted recyclers, buy back centers, or others authorized under this chapter.

- (d)(4) The construction of facilities or purchase of containers or equipment necessary to collect, process, and re-manufacture the material, including their repair and maintenance.
 - (e)(5) Payments offsetting shipping costs to off-island markets; and
- (f)(6) To fund CNMI or private sector market development activities, with a prime focus on the development of local uses, including research and demonstration projects, start-up grants for local manufacturers; and
- (g)(7) To fund CNMI or private sector education and outreach activities, including personal service contracts, media and publication costs and other related items;
- (h)(8) To partially cover the costs of funding for the position of recycling coordinator or other staff whose duties include the promotion of diversion activities, oversight of diversion grants or contracts or the accounting requirement of the fund;
- (i)(9) Administration of the program including the collection of the fees and oversight of payments to other agencies or the private sector;
- (i)(10) Travel and training pertinent to the improvement of diversion activities for the targeted materials.
- (b) The Secretary of the Department of Public Works, in consultation with the Director of Solid Waste Management, shall be the expenditure authority of such funds."

Section 5. Amendment. 2 CMC § 3535 is amended to read as follows:

"§3535. Inspection of Records and Premises.

The DEQ <u>and/or DPW</u> or <u>its their</u> agents shall have the authority to inspect the records of any business or individual that may be engaged in <u>the</u> import of materials covered by this chapter, and to promulgate regulations concerning record keeping."

Section 6. Severability. If any provision 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 7. 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 8. Effective Date. This Act shall take effect upon its approval by the Governor or becoming law without such approval.

KARL R. KING-NABORS PRESIDENT OF THE SENATE ATTESTED B

FRANCISCO O. CRUZ SENATE LEGISLATIVE SECRETARY

round this 11th day of

DAVID M. APATANG

Governor

Commonwealth of the Northern Mariana Islands