TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

_____ **Regular Session, 2026** **H. B. 24-** 114

A BILL FOR AN ACT

To amend the CNMI Coral Reef Protection Act as codified under 2 CMC, Division 1, Chapter 6, Article 6; and for other purposes.

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

Section 1. Findings and Purpose: The Legislature finds that CNMI Public Law 20-79, codified under 2 CMC § 1661 et seq., entitled, "Coral Reef Protection Act", was enacted to protect coral reefs through timely and efficient recovery from damage resulting from natural or manmade activities. Cognizant that existing protections require strengthening to address gaps in implementation, enforcement, and recovery, the Legislature finds that it is appropriate to amend Public Law 20-79 to expand protections for CNMI coral reefs by broadening the definition of harm to coral reef resource, safeguarding the Coral Reef Restoration Fund to address the Commonwealth's future needs, ensuring standardized enforcement and appeals procedures, and for other purposes.

Section 2. Amendments. 2 CMC, Division 1, Chapter 6, Article 6. Coral Reef Protection Act is hereby amended to read as follows:

§ 1661. Definitions.

(a) "Aggravating circumstances" means but is not limited to:

(1) operating, anchoring, or mooring, launching, berthing, docking, beaching, grounding, or otherwise securing or landing a vessel

(A) in a reckless or wanton manner;

(B) while under the influence of drugs or alcohol; or

(C) in any other manner that demonstrates disregard of boating laws and regulations concerning speed, navigation, or safe operation.;

(2) a vessel being abandoned, derelict, or otherwise being left unattended or improperly maintained, causing or contributing to damage or potential damage to coral reef resources;

(3) damaging the coral reef with tools or hands;

(4) taking live specimens out of the water without proper permits;

(5) introducing invasive, nuisance, or other harmful organisms, fine sediment, or diseases to CNMI waters;

(6) affecting resources that are hydrologically, ecologically, or otherwise connected to areas within the waters of the Commonwealth or sovereign submerged lands, including where impacts originate outside but manifest within the Commonwealth's jurisdictional boundaries;

(7) failing to obtain any permit or registration required by law or statute, or to violate or fail to comply with any statute, rule, order, permit, registration, or certification adopted or issued pursuant to their lawful authority;

(8) falsifying any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained by the, or to falsify, tamper with, or knowingly render inaccurate any monitoring device or method required to be maintained by any permit, registration, rule, or order issued by agencies, bureaus or departments of the CNMI government;

(9) causing any other actual or potential imminent harm to natural, cultural, or social coral reef resources as defined in Section 1661 (f).

(b) "Coral" means species of the phylum Cnidaria including, but not limited to, the following:

(1) The class Anthozoa, including the orders Actiniaria (sea anemones), Antipatharia (black corals), Scleractinia (stony corals), among others of the subclass Hexacorallia; and the subclass Octocorallia including the orders Alcyanacea (soft corals, gorgonians, and organpipe corals) and Helioporacea (blue corals);

(2) Members of the families Milleporidae (fire corals) and Stylasteridae (lace corals) of the class Hydrozoa.

(c) "Coral reef" means:

(1) Limestone structures composed wholly or partially of living corals, coralline algae, their skeletal remains and hosting other associated benthic invertebrates, vertebrates, and plants;

(2) Hard-bottom structures ~~communities~~, also known as live bottom habitats or colonized pavements, characterized by the presence of coral and associated reef organisms, or other reef building organisms such as tube worms; and

(3) Soft-bottom communities associated with coral reefs, characterized by the presence of associated vertebrates, invertebrates, or plants, including seagrass and mangroves.

(d) "DLNR" means the Department of Lands and Natural Resources.

(e) "Damages" means monies ~~moneys~~ paid or services rendered by any person or entity, whether voluntarily or by administrative or judicial order, to the Commonwealth of the Northern Mariana Islands as compensation, restitution, civil penalty, or mitigation for injury to or destruction of coral reefs.

(1) Civil Penalties - compensation for violation of law, monies put in restoration fund, allows DLNR Secretary negotiation.

(2) Pecuniary Damages - mitigation funds or settlements derived from harm to resource, not otherwise derived from damages resulting from violations of a federal act.

(f) "Harm to resource" means an actual or potential adverse impact to existing natural, cultural, or social resources within the surrounding area, community or region; or damage to existing physical and environmental aspects, such as degradation of natural beauty characteristics, water quality resources, native ecosystems or habitats, and/or the structure and function of a terrestrial, littoral, or marine ecosystem, whether direct or indirect, short or long term in a manner that may conflict, interfere, or impede on other directives by agencies, bureaus or departments of the CNMI government.

(gf) "Hazardous Material" shall mean any material or substance, which because of its quantity, concentration, or physical, chemical, or infectious characteristics, may cause or significantly contribute to an increase in mortality or an increase in serious irreversible or incapacitating reversible illness or pose a substantial present or potential hazard to human health or to the environment when improperly contained, stored, transported, processed, handled, manipulated, or otherwise accidentally released into the environment.

~~(g) "Threatened coral species" mean species listed in the CNMI as threatened under the Endangered Species Act (16 U.S.C. 1531 et seq.).~~

(h) "Listed species" mean species listed or otherwise designated for protection under applicable local or federal law.

(ih) "Person" means any and all persons, natural or artificial, foreign or domestic, including any individual, firm partnership, business, corporation, and

company and the United States and all political subdivisions, regions, districts, municipalities, and public agencies thereof.

(ji) "Pollutant" means any substance, either man-made or natural, that is discharged into the water and alters the chemical, physical, biological, or radiological integrity of water.

(kj) "Responsible Party" means the owner, operator, manager, or insurer of any vessel; any person(s) directly or indirectly responsible for causing any damage and/or aggravated circumstances as defined in Section 1661(a).

(l) "Secretary of DLNR" means Secretary of the Department of Lands and Natural Resources, or the Secretary's designee.

(mk) "Spill" means the accidental release of any hazardous material or pollutant.

(nl) "Unpermitted release of pollutants" means any intentional or accidental release of pollutants that is not approved by the Division of Environmental Quality.

§ 1662. Designated Vessel Anchoring Site.

Pursuant to 1 CMC § 2653(r), DLNR shall designate appropriate sites for anchoring vessels within the waters of the Commonwealth or on sovereign submerged lands unless preempted by federal law.

§ 1663. Notification and Removal.

(a) A ~~The~~ responsible party for any aggravating circumstances defined or described in § 1661 ~~of a vessel~~ who knows or should know that their actions have

potentially damaged or actually ~~vessel has run aground on coral reef, struck coral reef, released pollutants harming any coral reef, or otherwise~~ damaged coral reef must notify DLNR of such an event within 24 hours after its occurrence.

(b) Unless otherwise prohibited or restricted by the United States Coast Guard, the responsible party must remove or cause the removal of the grounded or anchored vessel within 72 hours after the initial grounding or anchoring absent extenuating circumstances such as weather, or marine hazards that would prevent safe removal of the vessel. The responsible party must also remove all associated debris, paraphernalia, hazardous materials, and pollutants in a manner that avoids further damage to coral reefs. The responsible party shall have their plan approved by the Secretary of DLNR prior to vessel removal to ensure that the removal avoids further damage to the coral reef.

(c) The responsible party must cooperate with the Secretary of DLNR to undertake damage assessment and primary restoration of the coral reef in a timely fashion.

(d) In the event of an injury caused by a spill or unpermitted pollutant discharge, the responsible party shall remove or cause the removal of the pollutant within 72 hours of the spill or discharge, absent threats posed to human health by the pollutant and absent extenuating circumstances such as weather or marine hazards that would prevent safe removal. The responsible party shall submit their

removal plan to DLNR and obtain approval before initiating the removal of the pollutant.

§ 1664. Enforcement and Damages.

(a) Pursuant to 1 CMC § 2653(r), DLNR may initiate a civil action, on behalf of the Commonwealth, to enforce this article and to recover damages for the destruction of, loss of, or injury to a coral reef.

(b) DLNR may recover all damages from the responsible party, including, but not limited to, the following:

(1) Compensation for natural resource loss, including, but not limited to, the cost of replacing, restoring, or acquiring the equivalent of the coral reef injured; the value of the loss of use and services of the coral reef pending its restoration, replacement, or acquisition of the equivalent coral reef; and if the coral reef cannot be restored or replaced, or if the equivalent cannot be acquired, the value of the coral reef.

(2) The cost of damage assessments, including staff time.

(3) The cost of activities undertaken by or at the request of DLNR to minimize or prevent further injury to coral or coral reefs pending restoration, replacement, or acquisition of an equivalent.

(4) The reasonable cost of monitoring the injured, restored, or replaced coral reef for at least ten (10) ~~three~~ years. Such monitoring is not

required for a single occurrence of damage to a coral reef totaling less than one square meter.

(5) The cost of enforcement actions undertaken in response to the destruction of, loss of, or injury to a coral reef, including court costs, attorney's fees, and expert witness fees.

(6) The cost of conducting methods referenced in § 1665.

§ 1665. Natural Resource Analysis.

Pursuant to 1 CMC § 2653(r), DLNR shall, where possible, use methods that incorporate the species diversity, species abundance, species population make-up, and reef structure at the impact site and using best available science to best predict functional loss by which the compensation described in § 1664 is calculated. Such analysis shall be completed within six (6) months of the date of impact, where practicable, and failure to comply with this timeline may subject the responsible party to fines pursuant to rules and regulations established by the Secretary of DLNR. Included in the effort, consideration for loss of use (extraction value, community value, environmental value and as well as replacement value) shall be incorporated in the cost determination of loss. DLNR may also recover costs to contract services to complete the determination of loss at the site including the parameters referenced and establishing equity at mitigation sites. DLNR may use existing resource recovery options to define replacement value along with any other lost value. DLNR may adopt regulations to establish a calculation method.

§ 1666. Civil Penalties.

In addition to the compensation described in § 1664, DLNR may assess, per occurrence, a civil penalty according to rules and regulations inclusive of a fee schedule set by the Secretary of DLNR. ~~the following schedule:~~

~~(a) For anchoring of a vessel on a coral reef or for any other damage to a coral reef by recreational boaters, a warning shall be given for the first offense. For a second or subsequent offense, a fine of $500 will be imposed on the responsible party.~~

~~(b) For anchoring of a vessel on a coral reef or for any other damage to a coral reef totaling less than or equal to one square meter, $500 with aggravated circumstances, an additional $500; if occurring within a marine preserve, an additional $1,000; and if occurring on a threatened coral species listed under the Endangered Species Act, an additional $1,500.~~

~~(c) For damage totaling more than an area of one square meter but less than or equal to an area of ten square meters, $1,000 per square meter; with aggravating circumstances, an additional $500 per square meter; if occurring within a marine preserve, an additional $500 per square meter; and if occurring on a threatened coral species listed under the Endangered Species Act, an additional $500.~~

~~(d) For damage exceeding an area of ten square meters, $3,000 per square meter; with aggravating circumstances, an additional $1,000 per square meter; if occurring within a marine preserve, an additional $1,000 per square meter; and if~~

~~occurring on a threatened coral species listed under the Endangered Species Act, an additional $1,000.~~

~~(e) For a second violation, the total penalty may be doubled.~~

~~(f) For a third violation, the total penalty may be tripled.~~

~~(g) For any violation after a third violation, the total penalty may be quadrupled.~~

§ 1667. Coral Reef Restoration Fund.

(a) There is hereby created a Coral Reef Restoration Fund, which shall be separated from and accounted for separately from the General Fund.

(b) Damages and penalties ~~Pecuniary damages~~ recovered by or on behalf of the Commonwealth for the destruction of, loss of, or injury to the coral reefs as described in § 1664 and § 1666, that would otherwise be deposited in the General Fund, shall be deposited in the Coral Reef Restoration Fund and shall remain in such account until expended by the Secretary of DLNR for the purposes of this section. ~~appropriated by the legislature~~. ~~The expenditure of these monies shall be limited to the following purposes:~~

(c) Expenditures from the Coral Reef Restoration Fund shall be without further appropriation or fiscal year limitations and limited to the following purposes:

(1) To provide funds to DLNR for reasonable costs incurred in obtaining payment of the damages for injury to, or destruction of, coral

reefs, including administrative costs and costs of experts, ~~and~~ consultants, and legal fees. Such funds may be provided in advance of recovery of damages.

(2) To pay for restoration, rehabilitation, or replacement of the injured or destroyed coral reefs or other natural resources by a government department or agency or through a contract with a qualified person.

(3) To pay for enforcement, conservation, research activities, or educational and public outreach programs related to the preservation and protection of the coral reefs, including capacity building and training opportunities.

(4) To pay for projects related to the protection and maintenance of the coral reefs.

(5) To pay for studies or surveys of the coral reefs that will aid in formulating policies and programs aimed at protecting the coral reefs.

(d) The Secretary of DLNR or their designee shall cause all fees and civil fines received to be deposited with the Treasurer and remitted by the Secretary of Finance to the Coral Reef Restoration Fund.

~~(c) Civil penalties that are imposed and collected under this article shall be deposited in the General Fund.~~

§ 1668. Regulations.

DLNR shall promulgate rules and regulations to implement the provisions of this Act."

Section 3. 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 4. 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 5. Effective Date. This Act shall take effect upon its approval by the Governor, or it becoming law without such approval.

Prefiled: 11/6/2024

Date: _____ Introduced by: _____
Rep. Edmund S. Villagomez

Reviewed for legal sufficiency by:

House Legal Counsel

Date: 11-6-26