



Arnold I. Palacios
Governor

David M. Apatang
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

September 20, 2024

GOV2024-664

The Honorable Karl R. King-Nabors
Chairman
Tinian and Aguiguan Legislative Delegation
Twenty-Third Northern Marianas Commonwealth Legislature
Saipan, MP 96950

The Honorable Edith E. Deleon Guerrero
President
The Senate
Twenty-Third Northern Marianas Commonwealth Legislature
Saipan, MP 96950



Dear Mr. Chairman and Madame President:

This is to inform you that I have vetoed **Senate Local Bill No. 23-05**, entitled “To amend 10 CMC §§ 2513(ii) and 2531 to provide for regulatorily compliant internet gaming; and for other purposes,” which was passed by the Tinian and Aguiguan Legislative Delegation of the Twenty-Third Northern Marianas Commonwealth Legislature. I do so on the basis of multiple concerns raised regarding the Bill by the Office of the Attorney General.

Senate Local Bill No. 23-05 conflicts with relevant statutes, raises constitutional issues, and presents serious enforcement and implementation concerns.

First, Senate Local Bill No. 23-05 conflicts with the public policies embodied in 10 CMC § 25191.

The provisions of 10 CMC § 25191(d), (e), (f), (h), (1), and (m) speak to the desires of the people of Tinian in enacting gaming legislation in 1989.

These include the desires for a strict regulatory framework for the gaming industry to promote public trust and confidence in the integrity of the process; a desire to ensure that gaming is a component of Tinian’s hospitality industry rather than a stand-alone industry; a desire to prevent and exclude persons with unacceptable background from participating in gaming operations contrary to the law enforcement interests of Tinian and of the Commonwealth; and a vision that the gaming industry

OFFICE OF THE
SENATE CLERK

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Signed By:
Date: 9/24 Time: 2:42 pm



provide a meaningful and permanent contribution to the economic vitality of the resort and tourism industry of Tinian and the Commonwealth.

Because the bill proposes to authorize granting an unlimited number of internet gaming licenses and does not condition or restrict the operation of gaming, including internet gaming, to a brick-and-mortar hotel-casino complex, it does not promote those public policies.

Further, the bill does not clearly extend of the authority of the Tinian Casino Gaming Control Commission to regulate, license, and monitor internet gaming operators because much of the licensing, monitoring and enforcement requirements contained in the Revised Tinian Casino Gaming Control Act of 1989 apply to hotel casino operators, not internet gaming licensees.

Essentially, this amendment could allow anyone with the minimum internet software identified in the bill to qualify and obtain an internet gaming license to conduct internet gaming operations out of a motel room on Tinian.

Second, the proposed bill is unconstitutional because the issue of ensuring the safety of children is a CNMI-wide concern and cannot be limited to the boundaries of the Second Senatorial District.

The bill states that:

“Operating internet gaming is conditioned on the implementation of age verification software *reasonably* designed to block access to minors and the implementation of a geolocation software limiting internet gaming activities to within intra-island borders of the Second Senatorial District and between jurisdictions where the conduct of internet gaming is not prohibited by law.” (emphasis added.)

The issue of protecting children from the dangers of internet gaming cannot be limited to protecting only those children on Tinian; it is not merely a matter of local concern. Not only does the bill lack stringent enforcement mechanisms, it also falls short of promoting any protective measure by merely requiring that the software be “reasonably” designed to block access. The bill violates Article II, Section 6 of the CNMI Constitution which allows enactment of local laws that “relate exclusively to local matters within one senatorial district.” *See* NMI Const., art. II, § 6.

For the foregoing reasons, I respectfully exercise my constitutional authority to veto this Bill.

Sincerely,



ARNOLD I. PALACIOS

Governor

cc: Lieutenant Governor; Attorney General; Commonwealth Law Revision Commission;
Public Auditor; Secretary of Finance; Mayor of Tinian and Aguiguan;
Programs and Legislative Review



**TINIAN AND AGUIGUAN LEGISLATIVE DELEGATION
SECOND SENATORIAL DISTRICT
TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
FOURTH REGULAR SESSION, 2024**

SENATE LOCAL BILL NO. 23-05

**A LOCAL BILL FOR AN ACT
FOR THE SECOND SENATORIAL DISTRICT**

To amend 10 CMC §§ 2513(ii) and 2531 to provide for regulatorily compliant internet gaming; and for other purposes.

OFFERED BY

Senators Jude U. Hofschneider, Francisco Q. Cruz, and Karl R. King-Nabors

Introduced on May 13, 2024

SENATE ACTION

Transmitted to Tinian and Aguiguan Legislative Delegation for action on
July 2, 2024

DELEGATION ACTION

Referred to:	None
Comments Solicited:	7/2/24: Mayor of Tinian and Aguiguan [Del. Matters 23-59] & Tinian & Aguiguan Municipal Council [Del. Matters 23-60]
Comments Received:	7/12/24: Mayors Comm. 23-51
Standing Committee Report:	None
Passed First & Final Reading:	August 14, 2024

A handwritten signature in blue ink, appearing to read "Frances Joan P. Kaipat".

**Frances Joan P. Kaipat
Delegation Clerk**



**TINIAN AND AGUIGUAN LEGISLATIVE DELEGATION
SECOND SENATORIAL DISTRICT
TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH LEGISLATURE**

SECOND SPECIAL SESSION, 2024

S. L. B. 23-05

**A LOCAL BILL FOR AN ACT
FOR THE SECOND SENATORIAL DISTRICT**

To amend 10 CMC §§ 2513(ii) and 2531 to provide for regulatorily compliant internet gaming; and for other purposes.

**BE IT ENACTED BY THE SECOND SENATORIAL DISTRICT DELEGATION PURSUANT
TO CHAPTER 4, DIVISION 1, TITLE 1 OF THE COMMONWEALTH CODE:**

1 **Section 1. Findings and Purpose.** The Tinian and Aguiguan Legislative Delegation,
2 being the duly elected body authorized through N.M.I. Const. Art. 2, § 6 and the Local Law Act
3 of 1983, specifically I CMC § 1401 et seq., to enact laws that relate exclusively to local matters
4 such as, gambling prohibition and regulation, within the Second Senatorial District find that in the
5 interest of promoting the Tinian gaming industry, it is lawful and necessary to amend 10 CMC §§
6 2513(ii) and 2531 in order to be globally competitive and compliant with United States federal
7 laws and regulations.

8 **Section 2. Repealer and Re-enactment.** 10 CMC § 2513 (ii) is hereby repealed and re-
9 enacted to read as follows:

10 “(ii) Internet gaming license” means a license issued under the chapter and the regulations

1 permitting operation of an internet gaming system.”

2 **Section 3. Amendment.** 10 CMC § 2531 is hereby amended to read as follows:

3 **“§ 2531. Grant of Casino and Internet Gaming Licenses.** Notwithstanding any other
4 law to the contrary:

5 (a) the Commission may grant not more than five casino licenses for a period not to exceed
6 forty (40) years which shall not be transferable, except as proscribed in this chapter, provided that
7 no casino licenses shall be authorized within the vicinity of any church or school. The commission
8 may grant a casino license while hotel-casino complex is being built in phases, in accordance with
9 10 CMC § 2513(ee).

10 (b) the conduct and playing of games in the casino pursuant to a casino license, in
11 accordance with this chapter and any other applicable chapter and the agreement relating to the
12 particular license, is lawful;

13 (c) the use of any gaming equipment or chips in the conduct and playing of games where
14 such games are conducted and played in a casino pursuant to a casino license is lawful;

15 (d) the Commission may also grant internet gaming licenses for a period not to exceed
16 twenty (20) years which shall not be transferable, except as proscribed in this chapter. ~~The~~
17 conduct of internet gaming pursuant to a ~~casino~~ internet gaming license, in accordance with
18 this chapter and any other applicable Act, and the regulations established by the Commission to
19 regulate internet gaming ~~and internet gaming operators, and the operating agreement relating to~~
20 the particular license permitting the conduct of internet gaming, is lawful. Operating internet
21 gaming is conditioned on ~~having a hotel with two hundred (200) units which may be built in phases~~

1 of 100 units per phase as authorized by TCGCC and an operational Hotel-casino complex casino
2 and the implementation of age verification software reasonably designed to block access to minors,
3 and the implementation of a geolocation software limiting internet gaming activities to within
4 intra-island borders of the Second Senatorial District and between jurisdictions where the conduct
5 of internet gaming is legal not prohibited by law. The Commission is not limited in the number of
6 internet gaming licenses that it may grant.”

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

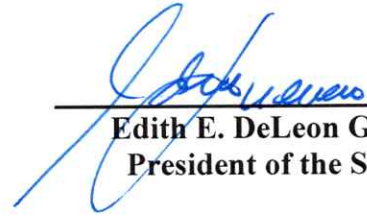
13 **Section 5. Severability.** If any provision of this Act or the application of any such
14 provision to any person or circumstance should be held invalid by a court of competent
15 jurisdiction, the remainder of this Act or the application of its provisions to persons or
16 circumstances other than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

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

CERTIFIED BY:



Karl R. King-Nabors
Chairman
Tinian & Aguiguan Legislative Delegation



Edith E. DeLeon Guerero
President of the Senate

Disapproved this 20th day of September, 2024.



Arnold I. Palacios
Governor
Commonwealth of the Northern Mariana Islands