



GOV. COMM. 24-171
(HOUSE)

David M. Apatang
Governor

Dennis James C. Mendiola
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

August 5, 2026

GOV2026-492

The Honorable Jude U. Hofschneider
Chairman
Tinian and Aguiguan Legislative Delegation
Twenty-Fourth Northern Marianas Commonwealth Legislature
Saipan, MP 96950

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



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8/6/26

Dear Mr. Chairman and Mr. President:

This is to inform you that I have vetoed **Senate Local Bill No. 24-04**, entitled "To define and authorize the use of abandoned investigative deposits held by the Tinian Casino Gaming Control Commission (TCGCC); to establish procedures for notice, claims, and final disposition of such deposits; to authorize the appropriation of abandoned deposits to pay outstanding regulatory fees, assessments, penalties, and taxes owed to the Commission; and for other purposes," which was passed by the Tinian and Aguiguan Legislative Delegation of the Twenty-Fourth Northern Marianas Commonwealth Legislature.

I appreciate the intent of this bill to avail of unused deposits from companies that have exited the gaming space on Tinian to pay off outstanding obligations of the TCGCC.

However, the Attorney General has noted two significant concerns with the present bill.

First, notwithstanding the language of the Definitions section of the bill, the remaining provisions appear to permit deposits to escheat to the Commission without notice or a hearing under certain conditions, raising constitutional due process issues.

Second, the bill provides for monies that escheat to the TCGCC to go directly to the Commission, rather than to the Department of Finance for appropriation by the Commission.¹

I encourage the Delegation to revise the legislation to address the concerns flagged in the attached opinion of the Office of the Attorney General.

¹ Under 10 CMC § 2331, monies due under the Revised Tinian Casino Gaming Control Act of 1989, 10 CMC §§ 2511 et seq., go to the Tinian Municipal Treasurer. The relationship of the Tinian Municipal Treasurer to the Department of Finance, particularly with respect to the constitutional duties of the Secretary of Finance under NMI Const. art. X, section 8, is not clearly defined under current law.

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I must, however, respectfully exercise my constitutional authority to veto the bill as presently drafted.

Sincerely,


DAVID M. APATANG
Governor

cc: Lieutenant Governor; Attorney General; Mayor of Tinian and Aguiguan;
Chairperson, Tinian Casino Gaming Control Commission;
Tinian Municipal Treasurer; Programs and Legislative Review



Commonwealth of the Northern Mariana Islands Office of the Attorney General

2nd Floor Hon. Juan A. Sablan Memorial Bldg.
Caller Box 10007, Capitol Hill
Saipan, MP 96950

EDWARD MANIBUSAN
Attorney General

Review of Pending Legislation¹

July 31, 2026

OAGGOV: 2026-045
LSR No. 26-325

Hon. David M. Apatang
Governor
Commonwealth of the Northern Mariana Islands
Caller Box 10007
Saipan, MP 96950

Re: S.L.B. 24-04: "To define and authorize the use of abandoned investigative deposits held by the Tinian Casino Gaming Control Commission (TCGCC); to establish procedures for notice, claims, and final disposition of such deposits; to authorize the appropriation of abandoned deposits to pay outstanding regulatory fees, assessments, penalties, and taxes owed to the Commission; and for other purposes."

Dear Governor Apatang:

Thank you for requesting the comments of the Office of the Attorney General regarding proposed Senate Local Bill 24-04, which is currently pending your action.

I have read and reviewed the above-referenced legislation and advise as follows:

Bill summary. The bill focuses on the disposition of certain long-unused deposits made with the Commission for the purpose of furthering applications for casino-related business.

The bill begins with a list of definitions. SLB 24-04, § 2 (§ 101). An "abandoned investigative deposit" means an investigative deposit that has remained unclaimed for five years of inactivity during which there has been no application activity or communication with the Commission, and for which the Commission has provided reasonable notice without a claim. SLB 24-04, § 2 (§ 101(d)). Reasonable notice requires sending written notice by certified mail to the last known address of a depositor and publishing notice on the TCGCC website for 30 consecutive days. SLB 24-04, § 2 (§ 101(c)).

¹ The information contained in this document is legally privileged and confidential information intended only for the use of the individual or entity named herein. If the reader of this document is not the intended recipient, you are notified that any dissemination, distribution or copy of this document is strictly prohibited. If you have received this document in error, please immediately notify the Office of the Attorney General by telephone and return the original document to the above address via the US Postal Service. Thank you.

Despite those definitions, the bill then declares an investigative deposit to be deemed abandoned if five years has passed from the later of:

- the date of application or termination;
- the date of license expiration, revocation, or surrender; or
- the last documented communication from the applicant or licensee; and reasonable notice was provided; and no claimant demonstrated entitlement within 90 days of the mailing notice.

SLB 24-04, § 2 (§ 102). The bill also states that upon meeting the requirements of this section, the abandoned deposit “shall become the property of the Commission” and shall be deposited into the Commission’s investigative revolving account or other account designated for operations. Notably, the first two options of this section allow the abandoned investigative deposit to become the property of the Commission in the absence of notice to the owner of that deposit.

The bill then provides for deposits held by the Commission on the effective date of the Act to become the property of the Commission if no valid claim is submitted within six months of the effective date. SLB 24-04, § 2 (§ 103). That option also omits a requirement for notice to the owner of the deposit.

The bill then provides for a limited appropriation by the Delegation of the abandoned deposits. SLB 24-04, § 2 (§ 104). Finally, the bill authorizes the Commission to promulgate regulations to implement the purpose of the bill. SLB 24-04, § 2 (§ 105). The bill does not explain who will adjudicate whether a claim is valid or whether there is any process for appealing the decision.

Local law. The CNMI Supreme Court has held that casino gambling in Tinian was properly approved through a local initiative. *Blanco -Maratita v. Borja*, 2017 MP 6. The Court further held that, following approval by that local initiative, the Tinian local delegation could regulate gambling through local laws. *Id.*

Tinian local law authorizes the TCGCC. 10 CMC § 2521(a). The TCGCC has broad regulatory authority, including the power to collect fees and taxes, conduct hearings and promulgate regulations. 10 CMC § 2521(h). Local law also establishes an executive director and a division of enforcement. 10 CMC §§ 2523 & 2530. Therefore, consistent with the constitutional and statutory limitations placed on delegations passing local laws, SLB 24-04 targets a proper gap in local law: the disposition of TCGCC abandoned funds.

Due process. “Every state has a law governing what to do with property held by third parties that the owner has not claimed.” *Garza v. Woods*, 160 F.4th 1118 (9th Cir. 2025). Constitutional protections prevent the state from depriving anyone of property without due process of law. U.S. Const. amend. XIV; CNMI Const. art. I, 5. Such process includes the right to notice “reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections.” *Garza*, 160 F.4th at 1130 (quoting *Mullane v. Cent. Hanover Bank & Tr. Co.*, 339 U.S. 306, 314 (1950)). More recently, the Supreme Court explained that “before a State may take property and sell it for the unpaid taxes, the Due Process Clause of the Fourteenth Amendment requires the government to provide the owner ‘notice and opportunity for hearing appropriate to the nature of the case.’” *Jones v. Flowers*, 547 U.S. 220, 223 (2006) (quoting *Mullane*, 339 U.S. at 313). Even more recently, at least two Supreme Court justices have noted due process concerns over shortened escheat periods and minimal notification requirements for statutes

addressing taking of abandoned property by the government. *Taylor v. Yee*, 136 S. Ct. 929 (2016) (op. denying cert.).

Lack of notice. Insofar as the bill fails to require notice and a hearing before any seizure of a deposit, the bill violates due process requirements of both the federal and CNMI constitutions. The declaration of multiple options for seizing deposits is confusing and may contradict the definitions initially set out in the bill. A simpler approach would have been to simply rely upon the definitions and state: "An abandoned investigative deposit is the property of the Commission." The definitions already incorporate the notice, hearing and dormancy required by due process.

As the Commission is authorized to promulgate regulations, any other deficiencies, such as how claims are to be adjudicated and appealed or how additional notice may be required, may be detailed in such regulations. No claims should be denied and no deposits should be seized until after such regulations have been made effective.

Other concern. The bill transfers ownership of deposits directly to the Commission. However, the deposits should be transferred to the Department of Finance to await appropriation by the Delegation. *See* 1 CMC § 2553(a)(1) (declaring that it is the duty of the Department to collect and deposit all locally raised revenue from any source) & 1 CMC § 2553(g) (declaring that it is the duty of the Department to disburse funds pursuant to authority of law).

Recommendation. The Governor should veto the bill because it violates due process requirements for seizure by the government of private property and recommend that the bill be rewritten to provide notice to address these due process concerns. The bill should also provide for transfer of abandoned deposits to the Department of Finance to await appropriation by the Delegation

I am available to discuss further at your convenience. Please feel free to contact me at 237-7500 or email at attorney_general@cnmioag.org.

Sincerely,



EDWARD MANIBUSAN
Attorney General



**TINIAN AND AGUIGUAN LEGISLATIVE DELEGATION
SECOND SENATORIAL DISTRICT
TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
SECOND SPECIAL SESSION, 2026**

SENATE LOCAL BILL NO. 24-04

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

To define and authorize the use of abandoned investigative deposits held by the Tinian Casino Gaming Control Commission (TCGCC); to establish procedures for notice, claims, and final disposition of such deposits; to authorize the appropriation of abandoned deposits to pay outstanding regulatory fees, assessments, penalties, and taxes owed to the Commission; and for other purposes.

OFFERED BY

Senators Jude U. Hofschneider, Francisco Q. Cruz, and Karl R. King-Nabors
Introduced on February 4, 2026

SENATE ACTION

Transmitted to the Tinian and Aguiguan Legislative Delegation for action on
February 26, 2026

DELEGATION ACTION

Public Hearing:	None
Comments Solicited:	2/26/26: Mayor of Tinian and Aguiguan [Del. Matters 24-52] & 20 th Tinian Municipal Council [Del. Matters 24-53]
Comments Received:	3/2/26: Mayors Comm. 24-12
Special Committee Report:	None
Passed First & Final Reading:	July 1, 2026


Frances Joan P. Kaipat
Delegation Clerk



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

THIRD REGULAR SESSION, 2026

S. L. B. 24-04

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

To define and authorize the use of abandoned investigative deposits held by the Tinian Casino Gaming Control Commission (TCGCC); to establish procedures for notice, claims, and final disposition of such deposits; to authorize the appropriation of abandoned deposits to pay outstanding regulatory fees, assessments, penalties, and taxes owed to the Commission; 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 (TALD) finds that the Tinian Casino Gaming Control Commission (“TCGCC” or “Commission”)
3 is mandated by law to be financially self-sustaining, funding all of its investigative, regulatory,
4 administrative, and enforcement operations exclusively from fees, assessments, and charges
5 imposed upon applicants, licensees, and casino operators.

6 The Act establishing the Commission expressly intends that the casino industry—not the
7 taxpayers—bear the full cost of regulation. The Commission does not receive appropriations from

1 the Commonwealth or municipal governments and relies entirely on revenue generated through
2 license fees, investigative deposits, and related assessments.

3 The Tinian and Aguiguan Legislative Delegation further finds that the over the past decade,
4 numerous casino applicants, key employee applicants, service provider applicants, and licensees
5 have withdrawn their applications, abandoned the licensing process, dissolved as legal entities, or
6 otherwise ceased operations without completing the regulatory process or requesting the return of
7 any unused investigative deposits.

8 As a result, the Commission currently holds more than one hundred thousand dollars
9 (\$100,000) in investigative deposits that are dormant, unclaimed, or abandoned, with no active
10 contact information and no legally viable method under existing regulations to utilize these funds
11 for the regulatory purposes for which they were originally collected.

12 At the same time, the Commission faces significant unpaid and outstanding fees, license
13 costs, annual assessments, penalties, and taxes owed by various applicants, licensees, and former
14 licensees—obligations which represent the very costs the Act intended the Commission to recover
15 from industry participants.

16 Because the Commission's operating costs continue regardless of the withdrawal or
17 abandonment of applications, the existence of unclaimed deposits alongside substantial unpaid
18 obligations undermines the Act's purpose and threatens the Commission's ability to effectively
19 regulate gaming activities on Tinian.

20 The Tinian and Aguiguan Legislative Delegation finds that it is in the public interest to
21 define "abandoned investigative deposits," establish a five-year dormancy period, require

1 reasonable notice to last-known addresses, provide a six-month transitional claim window, and
2 authorize the Tinian and Aguiguan Legislative Delegation to appropriate the abandoned deposits
3 for the purpose of covering regulatory and investigative costs and offsetting outstanding
4 obligations owed to the Commission.

5 This Act ensures fairness, fiscal responsibility, and the integrity of gaming regulation by
6 aligning statutory authority with longstanding cost-recovery objectives, while also providing due
7 process for any individual or entity that can demonstrate entitlement to the unclaimed funds.

8 Accordingly, the purpose of this Act is to (1) define “abandoned investigative deposits”;
9 (2) create a uniform and lawful process for identifying, noticing, and escheating such deposits to
10 the Commission; (3) allow a transitional six-month claim period; and (4) authorize the Tinian and
11 Aguiguan Legislative Delegation to appropriate the abandoned deposits to pay regulatory or
12 investigative costs and to offset outstanding Commission fees, assessments, penalties, and taxes
13 owed by applicants and licensees.

14 **Section 2. Enactment.** Subject to codification by the Commonwealth Law Revision
15 Commission, the following provisions are hereby enacted:

16 **§ 101. Definitions.** As used in this Act:

17 (a) “Investigative Deposit” means any deposit or advance submitted to the TCGCC by an
18 applicant or licensee for the purpose of covering background investigation costs, suitability
19 reviews, compliance inquiries, or related regulatory activities.

1 (b) “Dormancy Period” means a continuous period of five (5) years during which there has
2 been no application activity, no communication with the Commission, and no request for refund
3 of any unused deposit balance.

4 (c) “Reasonable Notice” means sending written notice by certified mail to the applicant’s
5 or licensee’s last known mailing address as reflected in Commission records and publishing notice
6 of unclaimed deposits on the TCGCC website for a period of not less than thirty (30) consecutive
7 days.

8 (d) “Abandoned Investigative Deposit” means an investigative deposit that has remained
9 unclaimed for the duration of the dormancy period and for which the Commission has provided
10 reasonable notice without receiving a valid claim.

11 **§ 102. Declaration of Abandonment.**

12 (a) An investigative deposit shall be deemed abandoned if: Five (5) years have passed since
13 the later of:

14 (1) the date of application withdrawal or termination;

15 (2) the date of license expiration, revocation, or surrender; or

16 (3) the last documented communication from the applicant or licensee; and
17 reasonable notice has been provided in accordance with Section 2(c), and no claimant has
18 demonstrated entitlement within ninety (90) days of the notice mailing date.

19 (b) Upon meeting the requirements of this section, the abandoned investigative deposit
20 shall become the property of the Commission and deposited into the Commission’s investigative
21 revolving account or other account designated for regulatory operations.

1 **§ 103. Transitional Claim Window.**

2 (a) Any individual or entity that claims entitlement to an investigative deposit held by the
3 Commission on the effective date of this Act may submit a written claim to the Commission within
4 six (6) months of the Act's effective date.

5 (b) The claimant must provide:

6 (1) Proof of identity;

7 (2) Documentation demonstrating entitlement to the deposit; and

8 (3) Any information reasonably required by the Commission to verify the claim.

9 (c) Deposits for which no valid claim is submitted within the six-month transitional
10 window shall be deemed abandoned and become the property of the Commission.

11 **§ 104. Appropriation of Abandoned Investigative Deposits.**

12 (a) Abandoned deposits shall be appropriated by the Tinian and Aguiguan Legislative
13 Delegation for the following purposes:

14 (1) To pay the Commission's investigative, regulatory, enforcement, and
15 administrative costs;

16 (2) To reimburse the Commission for investigative or regulatory costs attributable
17 to the applicant or licensee whose deposit was abandoned;

18 (3) To offset any outstanding or unpaid Commission fees, assessments, penalties,
19 or taxes owed by applicants, licensees, or former licensees.

20 (b) The Commission shall maintain detailed records documenting all applications of
21 abandoned deposits.

1 **§ 105. Regulations.**

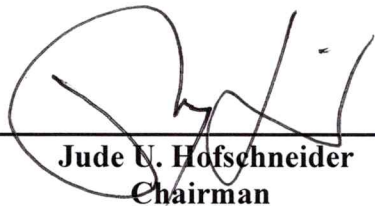
2 The Commission may adopt regulations necessary to implement this Act, including
3 procedures for identifying abandoned deposits, verifying claims, issuing refunds, executing
4 offsets, and documenting expenditures.”

5 **Section 3. Severability.** If any provision of this Act or the application of any such
6 provision to any person or circumstance should be held invalid by a court of competent
7 jurisdiction, the remainder of this Act or the application of its provisions to persons or
8 circumstances other than those to which it is held invalid shall not be affected thereby.

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

15 **Section 5. Effective Date.** This Act shall take effect upon its approval by the Governor
16 or upon its becoming law without such approval.

CERTIFIED BY:



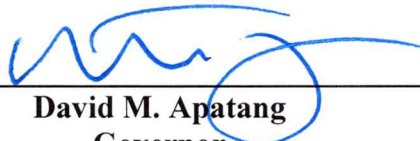
Jude N. Hofschneider
Chairman

Tinian & Aguiguan Legislative Delegation



Karl R. King-Nabors
President of the Senate

Disapproved this 5th day of August, 2026.



David M. Apatang
Governor
Commonwealth of the Northern Mariana Islands