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12 §3601. Saipan Traditional Gaming Board. There is hereby established a Saipan
13 Traditional gaming Board which shall consist of five members appointed by the Mayor of
14 Saipan with the advice and consent of the Saipan and Northern Islands Municipal
15 Council. All references in this Act to “Board” shall mean the Saipan traditional Gaming
16 Board. Subsection (g) of title 1 CMC §2901 shall not apply to the Board. The purpose of
17 the Board is to regulate the traditional forms of gaming in Saipan, namely cockfighting,
18 bingo and batu.

19 §3602. Term, Compensation, Removal, Qualification.

20 (a) The members of the Board shall be appointed for a term of two years and shall
21 serve without compensation, but may receive compensation for meeting
22 attendance, travel, and extraordinary expenses pursuant to 1 CMC § 8247. All
23 compensation shall come from the Special Account established by §3618, of
24 this Act.

25 (b) Any Board member appointed by the Mayor to serve on the Board shall serve
26 at the pleasure of the Mayor and may be removed by the Mayor with or
27 without cause.

28 (c) In addition to other qualifications required by law (1 CMC § 2901), Board
29 members shall be registered voters of the Third Senatorial District and shall

1 not be holders of a license to operate a cockpit or a bingo or batu game or
2 have any financial interest in any cockpit, bingo or batu game or operation or
3 be a gambling referee of any sort.

4 (d) No person may be appointed to the Board who has been convicted of a crime
5 carrying a maximum sentence of imprisonment of more than six months
6 unless a full pardon has been granted or unless a period of three years has
7 elapsed since the time of the conviction or from completion of any sentence,
8 whichever is later.

9 (e) Board members serving pursuant to the Saipan Cockfighting Act of 1994,
10 shall cease serving on the effective date of this Act and shall be replaced by
11 new Mayoral appointees pursuant to §3601 of this Act.

12 §3603. Powers and Duties of the Board. The Board shall have powers reasonably
13 necessary and incidental to allow for the implementation of the purposes of this
14 Act, including but not limited to the following:

15 (a) To promulgate rules and regulations pertaining to the organization of the
16 Board and to the regulation of traditional forms of gaming enumerated in this
17 Act. Such regulations shall be consistent with Commonwealth Law.

18 (b) To receive, review, all bids, and award all licenses authorized by this Act.

19 (c) To receive, review and decide any dispute arising from the awarding or
20 revocation of a license authorized by this Act. The decision of the Board shall
21 be final, except that the aggrieved party may seek review of the Board's
22 decision in the Commonwealth of the Northern Mariana Islands Superior
23 Court provided that such review or appeal is taken within 30 days of the date
24 of the Board's final decision.

25 §3604. Definitions.

26 In this Act, unless contrary intention appears:

27 (1) "Balentia" shall mean cockfighting where knives or other sharp instruments
28 are not used.

1 (2) “Amara” shall mean cockfighting where knives or other sharp instruments are
2 used.

3 (3) “Bingo” shall mean a game of chance played at a fixed location with cards
4 which are printed with five rows of five squares each containing certain
5 numbers or symbols. These cards are distributed to players and prizes are
6 awarded to a player or players on the basis of designated numbers or symbols,
7 drawn at random, matching the numbers or symbols upon the card of the
8 player. The wagers must be placed, and the winners must be determined, and
9 the prizes must be awarded in the presence of all persons placing wagers in
10 such a game. Cards having numbers or symbols similar to a bingo card, but
11 which numbers or symbols are concealed and reprinted in a manner to provide
12 for the distribution of prizes on other than a completely random basis, does
13 not constitute the game of bingo; but, rather, constitutes an instant lottery
14 game subject to licensing and regulation by the CNMI Lottery Commission.

15 (4) “Batu” shall mean a game played at a fixed location in which a player throws
16 a disk or other similar object a certain number of times and for a certain
17 distance in an attempt to knock down a certain number of pins or sticks. The
18 player and others present wager whether after a throw or series of throws, the
19 distance, and the number of pins or sticks to be knocked down shall be
20 determined before wagers are placed. The wagers must be placed, and the
21 winners must be determined, and the prizes must be awarded in the presence
22 of all persons placing wagers in such a game.

23 §3605. Number of Licenses.

24 Subject to the provisions of this Act for the longer term prescribed for the initial
25 cockfighting franchise licenses, there shall be no more than one annual license issued for
26 cockfighting, bingo and batu. The cockfighting license allows the holder to engage in
27 either Balentia or Amara forms of cockfighting, one form not to be at the exclusion of the
28 other.

29 §3606. No Assignment – Not for Profit Temporary Activities.

1 (a) Franchise licensees may not sell, transfer, or assign their license rights.
2 Provided, however, that franchise licensees may, in their discretion, but with
3 the endorsement and prior written approval of the Board, assign their license
4 right to another for temporary, non-profit gaming activities – cockfighting,
5 bingo, batu – when such activities do not exceed three (3) calendar days and
6 are conducted in connection with non-profit community events such as
7 village fiestas, celebrations of legal or traditional holidays and holy days. To
8 qualify for such, the assignee must apply all revenues raised from this not-
9 for-profit gaming for a gross revenue exemption pursuant to 4 CMC § 1305
10 (g). Assignees shall be bound by all provision of this Act made applicable to
11 the franchise licensee.

12 §3607. Exclusive Franchise License – Indemnity of Government. Unless
13 otherwise provided, cockpit, bingo and batu licenses shall be issued for a period of one
14 year commencing on July 1 of each year and shall end on June 30 of the following year.

15 (a) Cockfighting – Construction of Cockpit – Lease Back. The Board shall issue
16 a cockfighting franchise license to the highest, responsible bidder.

17 (1) Due the financial burden of erecting a cockpit facility, the exclusive
18 franchise to operate a cockpit shall be for an initial period of fifteen
19 (15) years so that the initial licensee has ample time to be recovered
20 the cost of building the facility required by this Act. All subsequent
21 cockfighting license shall be limited to a duration of one (1) year.

22 (2) Within one year of award of a franchise license, the winning bidder of
23 the initial franchise shall design and construct a building for
24 cockfighting. The design shall be Mayor. The cockpit shall be a
25 modern, typhoon-resistant structure. During the construction period
26 (not to exceed one year), the licensee is authorized to operate a
27 temporary cockfight facility at a location(s) approved by the Board.

28 (3) Providing that, pursuant to Article XI, Section 5(b) of the
29 Constitution and Public Law No. 10-57, §2674(d), public land for a

1 cockpit site is transferred to the Municipality of Saipan, the franchise
2 licensee shall construct the cockpit building on this public land. If
3 public land is not available, the licensee may construct the cockpit on
4 private land, provided, however, that this location must have the
5 approval of the Board.

6 (4) The franchise licensee shall hold the title to the cockpit building as
7 long as a valid license is held and until such time (not to exceed 15
8 years) as the licensee's gross revenues from cockfighting activities
9 and related operations and sales equal the cost of the cockpit
10 construction. For this purpose, and the purpose of setting the rent for
11 lease back, the licensee shall make available to the Board all tax
12 returns and information necessary to determine gross revenues.
13 Within (15) years or upon revocation of the license or at such time as
14 the licensee has recovered costs of construction, which ever event
15 occurs first, the licensee shall convey title of the cockpit building to
16 the Municipality of Saipan. This provision shall be self-executing. In
17 turn, the Municipality will lease the cockpit facility to the licensee or
18 subsequent licensees at a rent of five (5) percent of gross revenues per
19 annum or upon such terms as the parties may mutually agree. At all
20 times, licensee shall be responsible for maintenance and utilities. The
21 Office of the Mayor shall be responsible for the administration of the
22 lease.

23 (b) Bingo and Batu. The Board shall issue one-year, bingo and one-year, batu
24 franchise licenses to the highest responsible bidder for those licenses.

25 (c) Indemnity. All licenses – cockfighting, bingo, and batu – shall indemnify and
26 hold harmless the Board, its members, the Commonwealth government, the
27 Municipality of Saipan and their officers, agents and employees from all
28 liability and claims for damages made by third parties arising from or as a
29 result of the licensees gaming activities and related operations.

1 §3608. Licensing Authority. The Saipan Traditional Gaming Board is the only
2 entity authorized to issue a license for the operation of a cockpit, bingo or batu game.

3 §3609. Notice to Bid. Notice of invitation to bid for the award of a license for
4 operation of a cockpit, bingo, and batu games shall be posted in at least six public places
5 on Saipan and published or announced in or on at least three of the local news media
6 accessible to Saipan. Publication or announcement must be for a period of seven
7 consecutive days within twenty days prior to the deadline stated in the notice for the
8 submission of bid proposals.

9 §3610. Bid Procedure; Minimum Bid; Time for payment; Local Preference.

10 (a) Bids must be submitted within, at least, fifteen (15) days prior to the
11 expiration of any existing licenses. Each bid shall be sealed and accompanied
12 by a deposit of 20 percent of the total amount of the bid. The deposit shall be
13 in the form of cash, postal or express money order, cashier's check, or bank
14 draft, payable to the CNMI Treasurer. Bid deposits of unsuccessful bidders
15 shall be promptly returned by the Board.

16 (b) The minimum bids for each category of gaming which can be received and
17 accepted by the Board shall be as follows: Thirty thousand (\$30,000) dollars
18 for a cockpit license; five thousand (\$5,000) for a bingo license; and Two
19 thousand (\$2,000) dollars for a batu license.

20 (c) As proof of financial responsibility, the highest or most responsible bidder
21 must pay the full amount of the bid no later than the close of the next business
22 day following the Board's announcement of the highest responsible bidder.
23 The method of payment shall be same as that designated in this Act for bid
24 deposits. If the highest or most responsible bidder fails to make full payment
25 as required by this subsection, the Board reserved the right to award the
26 franchise license to the next highest responsible bidder or to reject all bids and
27 seek new bids.

28 (d) All bids shall be publicly opened and announced by the Board. The hour and
29 place of opening bids shall be stated in the notice of invitation to bid.

1 (e) The Board reserves the right, by majority vote, to reject any and all bids for
2 good cause; to make further invitation for bids in the same manner as the
3 original invitation; and to waive immaterial irregularities in the bidding
4 process. For the purpose of this subsection, “good cause” shall include, but
5 shall not be limited to, a prior felony conviction of any bidder by a court of
6 competent jurisdiction.

7 (f) In conformance with 1 CMC §7404(b), the Board may give preference to a
8 United States citizen or a business, corporation, firm or partnership which has
9 at least 75% ownership by United States citizens, if such preference in the bid
10 award will not result in the Board receiving less than 20% of the bid offered
11 by non-United States citizen bidders.

12 §3611. Revocation of License. Upon a hearing provided by the Board the Board,
13 by majority vote, may revoke a license awarded pursuant to this Act, if it finds that the
14 licensee has violated any provision of this Act, any regulation promulgated by the Board,
15 or if the licensee has violated or permitted the violation of any municipal ordinance or
16 Commonwealth law in the operation of a cockpit or of a bingo or batu game.

17 §3612. Hours of Operation. Consistent with Commonwealth law and municipal
18 ordinance, the licensee may set the hours and days of operation for gaming licensed
19 under this Act.

20 §3613. Fees and Other Deductions. Licensee is authorized to charge an
21 admission fee of not more than ten dollars per person per day. The Licensee is also
22 authorized to deduct ten (10) percent from the total sum of each and every winning bet.

23 §3614. Drinks and Food Concessions. Providing that the licensee is in full
24 compliance with all Commonwealth-wide laws and regulations controlling the possession
25 and sale of food and alcoholic beverages, the Licensee is authorized to sell food and
26 alcoholic beverages on the premises where the gaming activities take place. Provided,
27 however, that alcoholic drinks shall not be sold at bingo games.

28 §3615. Employees. The licensees may hire employees at their own expense for
29 the operation of cockpit, bingo and batu games and activities related to those operations.

1 §3616. Admission Tax. Pursuant to title 1, CMC, §1402(c)(3), the Municipality
2 of Saipan shall levy an admission tax of 30% on any admission fee collected by the
3 licensee.

4 §3617. Gross Revenue Surtax. Pursuant to Title 1, CMC, §1402(c)(1), the
5 Municipality of Saipan shall levy a gross revenue surtax of one percent on all revenue
6 derived from gaming and derived from the sale of food and beverages associated with
7 licensed gaming activities.

8 §3618. Funds Collected – Appropriation and Expenditure. Except for the fees
9 and revenues generated for the licensee pursuant to §3613 and §3614 of this Act, all other
10 fees and taxes collected under this Act shall, pursuant to Title 1, CMC, §1408, be
11 deposited in the General Fund in a special “Municipality of Saipan Gaming Revenue”
12 account to be established by the Secretary of Finance. Funds in this account shall be
13 annually appropriated by the Saipan Legislative Delegation pursuant to title 1, CMC,
14 §1407. The Mayor of Saipan shall exercise expenditure authority over all Legislative
15 Delegation appropriations from this special account.

16 §3619. Violations and Penalties.

17 (a) Violations.

18 (1) No person, firm, corporation, partnership, business association or other
19 entity shall operate a cockpit or operate a cockfight, bingo or batu, at a
20 time and place where a fee is charged for admission or betting takes
21 place unless licensed pursuant to this Act.

22 (2) No person or individual shall engage or participate in cockfighting,
23 bingo or batu, at a time and place where a fee is charged for admission
24 or betting takes place, unless that gaming activity is licensed pursuant
25 to this Act.

26 (3) No licensee shall permit any person under eighteen (18) years of age to
27 attend or to be present, unless with parental or adult supervision, or to
28 under any circumstances wager at a licensed cockpit, bingo or batu
29 game.

1 (b) Penalties. any person or individual who willfully or knowingly violated any
2 provision of this Act or any rule or regulation duly promulgated by the Board pursuant to
3 this Act, shall be guilty of a misdemeanor, and upon conviction shall be fined not more
4 than two (2) thousand dollars an or imprisoned not more than thirty (30) days, or both,
5 for each violation.

6 §3620. Private Right of Action to Enforce Franchise. To protect its franchise
7 granted by this Act, there is hereby created a private right of action on behalf of all
8 licensee. Pursuant to the rules of civil procedure for the Commonwealth courts, a
9 licensee may bring any and all types of civil actions, including but not limited to
10 injunctive of damage actions, against those who, in any manner of form, infringe,
11 diminish, or interfere with the licensee's franchise. In all such suits or actions where it
12 prevails, the licensee shall be awarded its reasonable attorneys fees and costs of suit.

13 Section 4. Severability. If any provision of this Act or the application of any
14 such provision to any person or circumstance should be held invalid by a court of
15 competent jurisdiction, the remainder of this Act or the application of its provisions to
16 persons or circumstances other than those to which it is held invalid shall not be affected
17 thereby.

18 Section 5. Savings Clause. This Act and any repealer contained herein shall not
19 be construed as affecting any existing right acquired under contract or acquired under
20 statutes repealed or under any rule, regulation or order adopted under the statutes.
21 Repealers contained in this Act shall not affect any proceeding instituted under or
22 pursuant to prior law. The enactment of this Act shall not have the effect of terminating,
23 or in any way modifying, any liability, civil or criminal, which shall already be in
24 existence on the date this Act becomes effective.

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

Date: 1 April 2000

Introduced By: /s/ Rep. Oscar M. Babauta