

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

FIRST REGULAR SESSION, 2025

S. L. B. NO. 24-01

A LOCAL BILL FOR AN ACT

To amend the Tinian Local Law 21-09 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
2 Delegation finds that Tinian Local Law 21-09 authorized the Tinian Casino Gaming
3 Control Commission to issue licenses for internet gaming. The law conditioned internet
4 gaming on a licensee also operating an existing hotel-casino complex. While operation of
5 internet gaming, in and of itself, can be profitable for a licensee, the additional expense of
6 operating a hotel-casino complex in Tinian, with tourism, Commonwealth-wide, in a
7 crisis, means that no gaming operator can profitably operate from Tinian under the
8 existing casino licensing framework. Allowing internet-only casino licenses will allow a
9 vibrant and profitable Tinian casino industry, regardless of the state of tourism in the
10 Commonwealth.

11 The Delegation also finds that many jurisdictions throughout the world -
12 including US states like Pennsylvania, Michigan, and Delaware - offer internet-only
13 gaming licenses. Operators licensed in Tinian, as with operators licensed by other US
14 jurisdictions, are subject to the Unlawful Internet Gaming Enforcement Act (UIGEA), a
15 federal law passed in 2006. UIGEA sets threshold requirements that states must meet in
16 order for state-licensed internet casino activities to be considered lawful. Among these
17 requirements is a requirement that “state law or regulations include age and location
18 verification requirements reasonably designed to block access to minors and persons
19 located out of such State” (31 U.S. Code § 5362 (10)(b)(2)). Although geolocation

1 requirements are currently present in Tinian casino statute, and age verification
2 requirements are currently present in Tinian casino regulation, the Delegation finds that
3 adding the age verification requirement to statute is a more permanent assurance of
4 compliance with federal law.

5 Furthermore, the Delegation finds that the regulation of internet casino licensees
6 presents challenges specific to the digital medium. Unlike physical casinos, where the
7 casino premises themselves can be regulated and monitored by regulators, internet
8 casinos, where gaming is conducted on secure servers inaccessible by outside entities,
9 can have gaming activity that is difficult to monitor and track. Effective regulation and
10 taxation of internet casinos requires the regulator to have the ability to track flow of funds
11 into and out of the casinos themselves.

12 The Delegation additionally finds that, on January 23rd 2025, President Donald J.
13 Trump issued Executive Order 14178, “Strengthening American Leadership in Digital
14 Financial Technology,” which stated, “The digital asset industry plays a crucial role in
15 innovation and economic development in the United States, as well as our Nation’s
16 international leadership. It is therefore the policy of my Administration to support the
17 responsible growth and use of digital assets, blockchain technology, and related
18 technologies across all sectors of the economy.” The use of digital assets and blockchain
19 technologies for the tracking of financial activity within the Tinian internet casino
20 ecosystem will allow maximum forensic capabilities for both real-time and archival
21 tracking, enforcement, and auditing of licensees and players.

22 Correspondingly, the Delegation finds that on March 17, 2023, Wyoming became
23 the first state to enact a bill - the Wyoming Stable Token Act (Wyo. Stat. § 40-31-106) -
24 establishing the authority of US public entities to issue stablecoins. A stablecoin is a
25 digital one-to-one representation of US dollars held in reserve by the issuer. Authorizing
26 the Tinian Municipal Treasurer to issue and redeem a stablecoin, and using that
27 stablecoin as a “digital casino chip” in the Tinian internet casino ecosystem, efficiently
28 solves the taxation and regulation challenges presented by internet casinos while

1 simultaneously advancing the innovation and technology goals of the United States
2 government.

3 The Tinian and Aguiguan Legislative Delegation, being the duly elected body
4 authorized through N.M.I. Const. Art. 2, § 6 and the Local Law Act of 1983, specifically
5 I CMC § 1401 et seq., to enact laws that relate exclusively to local matters such as,
6 gambling prohibition and regulation, within the Second Senatorial District find that in the
7 interest of promoting the Tinian gaming industry, it is lawful and necessary to amend
8 Tinian Local Law 21-09 and to authorize the creation of a Tinian Stable Token, in order
9 to be globally competitive and compliant with United States federal laws and regulations.

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

12 (ii) “Internet gaming license” means a license issued under the act and the
13 regulations permitting operation of an internet gaming system.

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

15 “§ 2531. **Grant of Casino and Internet Gaming Licenses. Notwithstanding**
16 **any other law to the contrary:**

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

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

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

28 (d) the Commission may also grant internet gaming licenses for a period not to

1 exceed twenty (20) years which shall not be transferable, except as proscribed in this
 2 chapter. ~~The~~ the conduct of internet gaming pursuant to a ~~casino~~ an internet gaming
 3 license, in accordance with this chapter and any other applicable Act, and the regulations
 4 established by the Commission to regulate internet gaming ~~and internet gaming operators,~~
 5 ~~and the operating agreement relating to the particular license permitting the conduct of~~
 6 ~~internet gaming,~~ is lawful. Operating internet gaming is conditioned on ~~having a hotel~~
 7 ~~with two hundred (200) units which may be built in phases of 100 units per phase as~~
 8 ~~authorized by TCGCC and an operational Hotel-casino complex casino and the~~
 9 ~~implementation of age verification software reasonably designed to block access to~~
 10 ~~minors, and~~ the implementation of a geolocation software limiting internet gaming
 11 activities to within intra-island borders of the Second Senatorial District and between
 12 jurisdictions where the conduct of internet gaming ~~is legal~~ not prohibited by law. The
 13 Commission may grant no more than ten (10) internet gaming licenses.

14 **Section 4. Amendment.** Title 10, Division 2, Chapter 3 of the Commonwealth
 15 Code is hereby amended by adding a new Article to read as follows:

16 **“Article 5. Tinian Stable Token.**

17 **§ 101. Tinian Stable Token.**

18 This article provides for the issuance, management, and redemption of Tinian
 19 Stable Token for use as a financial tool enabling the office of the Tinian Municipal
 20 Treasurer to better meet the responsibilities assigned to the office in 10 CMC § 2331. The
 21 financial systems described in this Act allow the Tinian Municipal Treasurer to track and
 22 control digital payments including, but not limited to, payments made by Tinian internet
 23 casino licensees and players, ensuring full compliance with the laws of the United States
 24 and the Commonwealth of the Northern Mariana Islands relating to internet gambling and
 25 other digital financial transactions.

26 **§ 102. Definitions.** For the purposes of this article:

- 27 (a) “Commonwealth” means the Commonwealth of the Northern Mariana Islands.
- 28 (b) “Digital Asset” means a representation of economic, proprietary or access

1 rights that is stored in a computer readable format.

2 (c) "Mayor" means the Mayor of Tinian & Aguiguan.

3 (d) "Municipality" means the Municipality of Tinian & Aguiguan in the Second
4 Senatorial District, Commonwealth of the Northern Marianas.

5 (e) "Person" means a natural person, as well as a partnership, corporation,
6 association, joint venture, or other business entity.

7 (f) "Public Blockchain" means an electronic record of transactions or other data
8 which:

9 (1) is uniformly ordered;

10 (2) is processed using a decentralized method by which two or more
11 unaffiliated computers or machines verify the recorded transactions or other data;

12 (3) is redundantly maintained by two or more unaffiliated computers or
13 machines to guarantee the consistency or nonrepudiation of the recorded
14 transactions or other data;

15 (4) is validated by the use of cryptography; and does not restrict the ability
16 of any computer or machine to:

17 (i) view the network on which the record is maintained; or

18 (ii) maintain or validate the state of the public blockchain.

19 (g) "Tinian Stable Token" means the Virtual Currency issued or maintained by
20 the Municipality, or the system used to issue or maintain such Virtual Currency.

21 (h) "Tinian Stable Token Reserve Account" (TSTRA) means a local special
22 account, established by the Treasurer, that is used for the issuance and redemption of
23 Tinian Stable Token.

24 (i) "Stablecoin" means a Virtual Currency not issued or maintained by the
25 Municipality, that is, or is designed to be, used as a means of payment or settlement and
26 the issuer of which is obligated to convert, redeem, or repurchase for a fixed amount of
27 United States dollars.

28 (j) "Treasurer" means the Tinian Municipal Treasurer.

1 (k) Virtual currency: a digital asset that:

2 (1) is created, issued and maintained on a public blockchain;

3 (2) is used as a medium of exchange, unit of account or store of value; and

4 (3) is not recognized as legal tender by the government of the United

5 States of America or the government of the Commonwealth.

6 **§ 103. Tinian Stable Token Account.**

7 (a) The Treasurer shall establish a local special account, to be called the Tinian
8 Stable Token Reserve Account (TSTRA). This account shall be used for the issuance and
9 redemption of Tinian Stable Token. Facility for the issuance and redemption of Tinian
10 Stable Token shall be made generally available except to Persons deemed appropriate by
11 the Mayor and Treasurer.

12 (b) The TSTRA and associated Virtual Currency shall be administered by the
13 Treasurer. The Treasurer shall, on a monthly basis, issue a written report to the Mayor
14 and the Second Senatorial District Delegation detailing.

15 (1) the total circulating Virtual Currency;

16 (2) the amount of Virtual Currency issued into circulation in the previous
17 month

18 (3) the amount of Virtual Currency redeemed or otherwise removed from
19 circulation in the previous month; and

20 (4) the balance of the TSTRA, organized by type of funds.

21 **§ 104. Composition of the Tinian Stable Token Reserve Account.**

22 (a) The following shall be deposited in the Tinian Stable Token Reserve Account
23 (TSTRA), for use in maintaining adequate reserves to satisfy any obligations to holders
24 of issued and circulating Tinian Stable Token:

25 (1) All monies collected at the time of issuance of Tinian Stable Token;

26 (2) Fees and taxes collected through the use of the Tinian Stable Token
27 system.

28 (b) Funds in the PVRCA may be comprised of:

1 (1) United States coins and currency (including Federal reserve notes and
2 circulating notes of Federal reserve banks, United States national chartered banks,
3 and Commonwealth chartered banks);

4 (2) Treasury bills with a maturity of 90 days or less;

5 (3) Repurchase agreements with a maturity of 7 days or less that are
6 backed by Treasury bills with a maturity of 90 days or less; or

7 (4) Stablecoins, reserve-backed by one-to-one reserves of assets specified
8 in subsections (b) (1) through (b) (3);

9 (c) Funds due to the TSTRA, when such funds are temporarily held in the custody
10 of payment processors or other intermediary financial institutions, shall be considered as
11 value belonging to the TSTRA.

12 **§ 105. Tinian Stable Token Value and Limitations.**

13 A Tinian Stable Token is a Virtual Currency representative of and redeemable for
14 one (1) United States dollar held in trust by the Treasurer. Tinian Stable Tokens shall
15 only be issued in exchange for United States dollars. Tinian Stable Tokens shall only be
16 redeemed for United States dollars and such redemption shall only occur on a one-to-one
17 basis.

18 **§ 106. Tinian Stable Token Reserve Requirements.**

19 (a) The total US dollar value of the Tinian Stable Token Reserve Account
20 (TSTRA) shall, at all times, be greater than or equal to the number of Tinian Stable
21 Tokens (TST) in circulation.

22 (b) No new TST shall be issued into circulation if such issuance will make the US
23 dollar value of the TSTRA less than the US dollar value of the Tinian Stable Token in
24 circulation.

25 (c) No expenditure shall be made from the PVRCA if such expenditure will make
26 the US dollar-value of the PVRCA less than the US dollar value of the Tinian Stable
27 Token in circulation.”

28

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

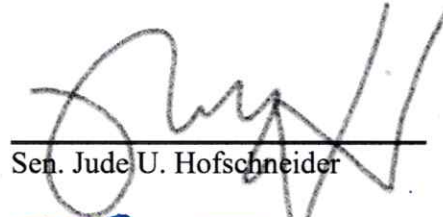
5 **Section 6. Savings Clause.** This Act and any repealer contained herein shall not
6 be construed as affecting any existing right acquired under contract or acquired under
7 statutes repealed or under any rule, regulation or order adopted under the statutes.
8 Repealers contained in this Act shall not affect any proceeding instituted under or
9 pursuant to prior law. The enactment of this Act shall not have the effect of terminating,
10 or in any way modifying, any liability civil or criminal, which shall already be in
11 existence at the date this Act becomes effective.

12 **Section 7. Effective Date.** This Act shall take effect upon its approval by the
13 Governor or upon its becoming law without such approval.

14

Date: 2/11/25

Introduced By:



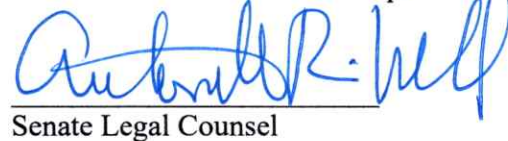
Sen. Jude U. Hofschneider



Sen. Karl King-Nabors

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Reviewed for Introduction Purposes Only by:



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