



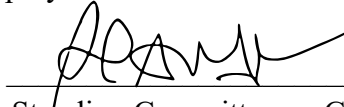
## Office of Senator Paul A. Manglona

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE  
P.O. BOX 500129  
SAIPAN, MP 96950

### NOTICE OF COMMITTEE MEETING

**DATE:** December 05, 2025

**TO:** All Active Government Employees and Private Citizens of the Commonwealth

**FROM:** Senator Paul A. Manglona,   
Acting Chairperson, Senate Standing Committee on Gaming

**SUBJECT:** Committee Meeting

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The Senate Standing Committee on Gaming will convene on **Thursday, December 11, 2025, at 10:00 a.m.** in the **Senate Chamber** of the **Honorable Vice Speaker Jesus P. Mafnas Memorial Building, Capitol Hill, Saipan** to deliberate on the governor's communication, **Gov. Msg. No. 24-148**, to amend Public Law 18-56, the Casino Act of 2014.

Members of the general public are encouraged to submit written testimony before the committee meeting. All materials provided in written form will be part of the Committee's official record.

Written comments sent via email, may be [staff.sen.manglonap@cnmileg.net](mailto:staff.sen.manglonap@cnmileg.net). Oral testimonies may be presented during the committee meeting.

Your attendance is greatly appreciated.

cc: Senate President  
Gaming Committee Members  
LB Director  
Legal Counsel  
Legislative Assistant



## Office of Senator Paul A. Manglona

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE  
P.O. BOX 500129  
SAIPAN, MP 96950

December 05, 2025

Pursuant to the Interim Rules of the Senate and the Open Government Act, Senator Paul A. Manglona, Acting Chairperson of the Senate Standing Committee on Gaming, of the Twenty-Fourth Northern Marianas Commonwealth Legislature (NMCL) will convene the following open and public meeting:

**MEETING:** Committee Meeting

**DATE:** Thursday, December 11, 2025

**TIME:** 10:00 a.m.

**LOCATION:** Senate Chamber

Honorable Vice Speaker Jesus P. Mafnas Memorial Building, Capitol Hill, Saipan

Copies of this notice, the official scheduled committee meeting notice, and the agenda have been filed in the Office of Senator Paul A. Manglona, released to the media, and posted at the following locations:

Administration Building Entrance Hall

House of Representatives Entrance Hall

Senate Entrance Hall

NMCL Website ([www.cnmileg.net](http://www.cnmileg.net)) and Facebook Page

Written comments on agenda item may be submitted to the **Office of Senator Paul A. Manglona**, Honorable Jesus P. Mafnas Memorial Building, Capitol Hill, Saipan, or sent via email to [staff.sen.manglonap@cnmileg.net](mailto:staff.sen.manglonap@cnmileg.net) prior to the convening of the meeting. Oral testimony may be presented during the committee meeting.

### **DISTRIBUTION LIST:**

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## Office of Senator Paul A. Manglona

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE  
P.O. BOX 500129  
SAIPAN, MP 96950

### AGENDA

Thursday, December 11, 2025

10:00 a.m. | Senate Chamber

**I. Call to Order**

**II. Roll Call**

**III. Adoption of Agenda**

**IV. Public Comment**

**V. New Business**

**1. GOV. MSG. NO. 24-148** – *To amend Public Law 18-56, the Casino Act of 2014.*

**VI. Adjournment**



David M. Apatang  
Governor

Dennis James "DJ" C. Mendiola  
Lieutenant Governor

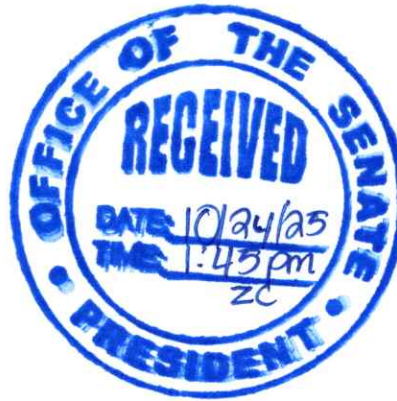
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
**OFFICE OF THE GOVERNOR**

October 24, 2025

GOV2025-420

The Honorable Edmund S. Villagomez  
House Speaker  
Twenty-Fourth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

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



OFFICE OF THE  
SENATE CLERK

Signed By:   
Date: 10/24 Time: 1:45 pm

**Re: Request for Passage of Administration-Sponsored Bill to Amend Public Law 18-56**

Dear Honorable Speaker Villagomez and Senate President King-Nabors:

The Office of the Governor and Lieutenant Governor respectfully submit for your immediate consideration and action on an Administration-sponsored bill to amend Public Law 18-56, the Casino Act of 2014. This legislation is essential to reviving the Commonwealth's gaming industry, restoring investor confidence, and securing critical new sources of public revenue for our retirees and the people of the CNMI.

As you are aware, the exclusive casino license framework under P.L. 18-56 collapsed when Imperial Pacific International (IPI) defaulted, leaving behind an unfinished facility and unfulfilled obligations. Recently, Team King Investment (CNMI), LLC acquired IPI's assets through the bankruptcy process and has expressed strong interest in pursuing a non-exclusive casino license under a modernized legal framework.

The proposed amendment restructures the casino industry by ending exclusivity, authorizing multiple licenses, diversifying the revenue base, and introducing new revenue streams through online gaming and digital payment systems. Unlike the failed single-operator model, this bill establishes stability and resilience by distributing obligations across multiple credible investors.

Key provisions of the amendment include:

- Establishing a non-exclusive license structure with scalable fees and enforceable performance benchmarks;
- Linking the Casino Gross Revenue Tax (CGRT) directly to gaming performance, ensuring reliable public revenues;



**David M. Apatang**  
Governor



**Dennis James "DJ" C. Mendiola**  
Lieutenant Governor

**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**  
**OFFICE OF THE GOVERNOR**

- Dedicating a portion of revenues to fund retirees' pensions, safeguarding our most vulnerable; and
- Modernizing the industry through iGaming and stablecoin-backed payment instruments, aligned with U.S. regulatory standards.

The fiscal impact analysis or revenue projections, conservatively, estimates that this legislation could generate more than \$100 million in public revenues within the first five years, with substantial potential for further growth as additional licenses and online platforms are established. Beyond direct revenues, the revival of the casino industry is projected to stimulate broader economic benefits through the multiplier effect - creating jobs, driving consumer spending, and supporting ancillary businesses throughout the Commonwealth.

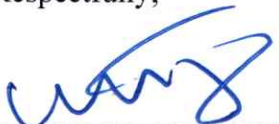
This request comes at a critical and urgent time. As announced during the earlier Budget press conferences, the Commonwealth faces a projected \$22.9 million revenue shortfall for FY 2026, requiring the imposition of fiscal austerity measures across all agencies. Without swift passage of new revenue-generating measures, the Commonwealth will face mounting difficulty sustaining its obligations placing at risk the retirees' 25% pension, essential public services, the Public School System, and the very initiatives necessary to restore and sustain economic recovery. Immediate legislative action is therefore imperative.


Accordingly, we strongly urge the Legislature to act without delay to deliberate and pass this Administration-sponsored measure. The CNMI cannot afford further inaction. This bill represents a balanced, forward-looking reform that addresses past failures while seizing the opportunities now before us.

For the benefit of our retirees, our economy, and the Commonwealth as a whole, we respectfully request your prompt passage of this bill. Attached for your review are supporting documents, including a summary of the proposed amendments and the Fiscal Impact Analysis / Revenue Forecast, which provide detailed justification for this urgently needed reform.

We thank you for your leadership and partnership in securing the future of our islands.

Respectfully,

  
**DAVID M. APATANG**  
GOVERNOR

  
**DENNIS JAMES "DJ" C. MENDIOLA**  
LT. GOVERNOR

Attachment: Summary of Amendment & Fiscal Impact Analysis

## **Fiscal Impact Analysis**

### **Amendment to Public Law 18-56 (Casino Act of 2014)**

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The proposed amendment to Public Law 18-56 replaces the failed exclusive license model with a diversified framework of multiple non-exclusive licenses, performance-based taxation, and modernization through online gaming and digital payment systems. This restructuring addresses past structural weaknesses while positioning the Commonwealth of the Northern Mariana Islands to compete effectively within the broader Asia-Pacific gaming industry. Conservatively, the new framework is projected to generate more than \$100 million in revenues within the first five years, with upside scenarios reaching over \$230 million, depending on the number of licensed operators and the integration of online platforms.

The revenue framework under the amended law establishes a balanced and sustainable structure. Application fees are set at \$500,000 per licensed location, with annual license fees of \$1,000,000 and \$2,000,000 due upfront at issuance to cover the first two years. Regulatory fees of \$1,000,000 per licensed location will provide stable funding for the Commonwealth Casino Commission, while the Casino Gross Revenue Tax (CGRT) - up to 15 percent of gross gaming revenue - will ensure that a dedicated portion of revenues supports retirees' pensions and the reserve fund. Newly authorized online and internet gaming, with taxation under the CGRT, provides further opportunities to expand the fiscal base.

Comparisons to regional benchmarks in Macau, the Philippines, and Singapore show strong demand for integrated resort casinos and demonstrate the CNMI's ability to sustain revenues at scale if entry barriers are lowered and online channels are legalized. Macau exceeded \$22 billion in gaming revenues in 2024, the Philippines generated approximately \$4 billion in 2023, and Singapore consistently produces \$5–6 billion annually with only two licensees. These examples show that even on a smaller scale, the CNMI can attract substantial investment and revenue.

Revenue projections for the Commonwealth under this amendment demonstrate strong fiscal potential. In a conservative scenario with two to three licensed locations, average gross gaming revenues (GGR) of \$50 million per location, and a 10 percent CGRT rate, the five-year total receipts would reach between \$110 million and \$130 million. In the base case, with three to four licensed locations and an average GGR of \$100 million per location at a 12 percent CGRT rate, the five-year total receipts are estimated at approximately \$236 million, of which \$205 million would come from CGRT and \$31 million from fees. In the upside scenario, with three to five licensed locations, average GGR of \$175 million per location, and a 15 percent CGRT rate, the five-year total receipts would exceed \$350 million.

Online gaming further strengthens the revenue outlook. Conservative projections estimate a 5–8 percent uplift in gross gaming revenues by Year 5, while the base case projects a 10 percent uplift adding approximately \$20 million over five years. In the upside scenario, online gaming could

**OFFICE OF THE  
SENATE CLERK**

Signed By:

Date:

Time:

10/24 2:39 pm



increase revenues by 15–20 percent, contributing an additional \$40–50 million over the same period.

The fiscal and economic impacts of the proposed amendment extend beyond direct revenues. It secures a dedicated \$12.5 million annually for the retirees' 25 percent pension obligation, ensures regulatory sustainability with the Commonwealth Casino Commission fully self-funded, and generates significant multiplier effects. These include job creation, hotel renovations, restoration of airline routes, and increased consumer spending across the economy.

In conclusion, the amendment to Public Law 18-56 establishes a balanced, forward-looking fiscal framework. By diversifying licenses, tying revenues directly to performance, and incorporating online gaming, the Commonwealth can conservatively expect revenues exceeding \$100 million within five years, with optimal scenarios yielding over \$230 million. This reform is critical to stabilizing the CNMI's finances, protecting retirees, and restoring investor confidence in the gaming sector.

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The proposed amendment to Public Law 18-56 replaces the failed exclusive license model with a diversified framework of multiple non-exclusive licenses, performance-based taxation, and modernization through online gaming and digital payment systems. This approach addresses past structural weaknesses while positioning the CNMI to compete within the broader Asia-Pacific gaming industry.

Conservatively, the new framework is projected to generate over \$100 million in revenues within the first five years, with upside scenarios reaching over \$230 million, depending on the number of licensed operators and online integration.

### **Revenue Framework under New Amendment Bill**

- Application Fee: \$500,000 per licensed location (one-time)
- Annual License Fee: \$1,000,000 per license, with \$2,000,000 upfront covering Years 1–2
- Regulatory Fee: \$1,000,000 annually per licensed location (+5% every 5 years)
- Casino Gross Revenue Tax (CGRT): Up to 15% of gross gaming revenue, earmarked for retirees' pensions and reserve fund (rainy day fund)
- Online/Internet Gaming: Newly authorized, with revenues taxed under CGRT

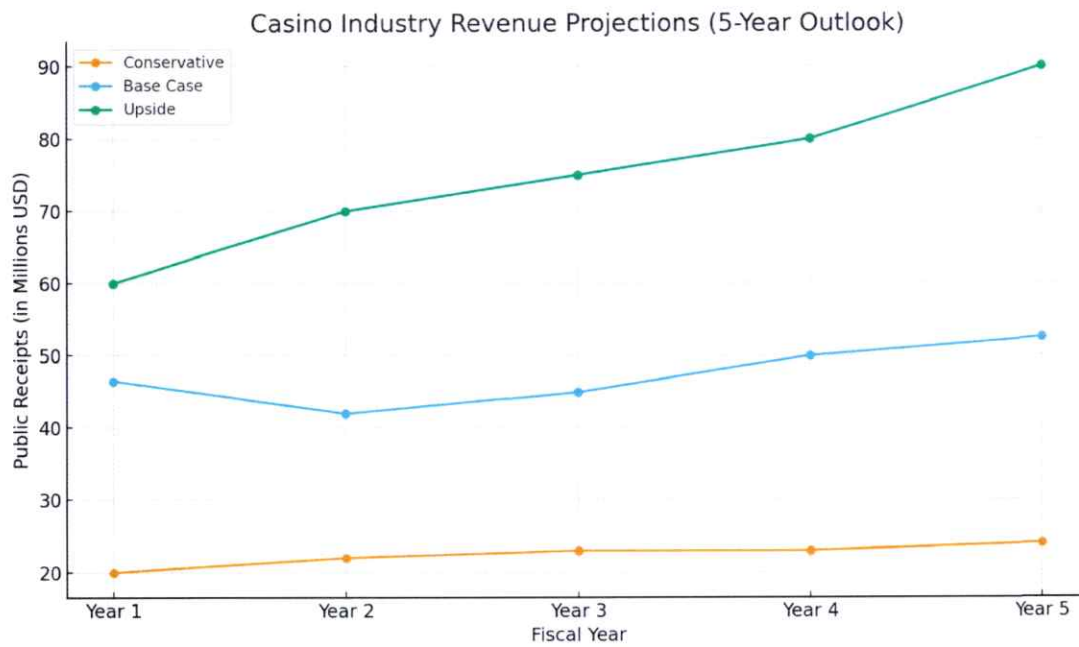
### **Market Context: Asia Gaming Industry**

Macau, the Philippines, and Singapore demonstrate strong demand for integrated resort casinos. Macau exceeded \$22B in gaming revenues in 2024, the Philippines generated ~\$4B in 2023, and Singapore consistently produces \$5–6B annually with only two licensees. These benchmarks show that CNMI, even on a smaller scale, can sustain significant revenues if entry barriers are lowered and online gaming is legalized.

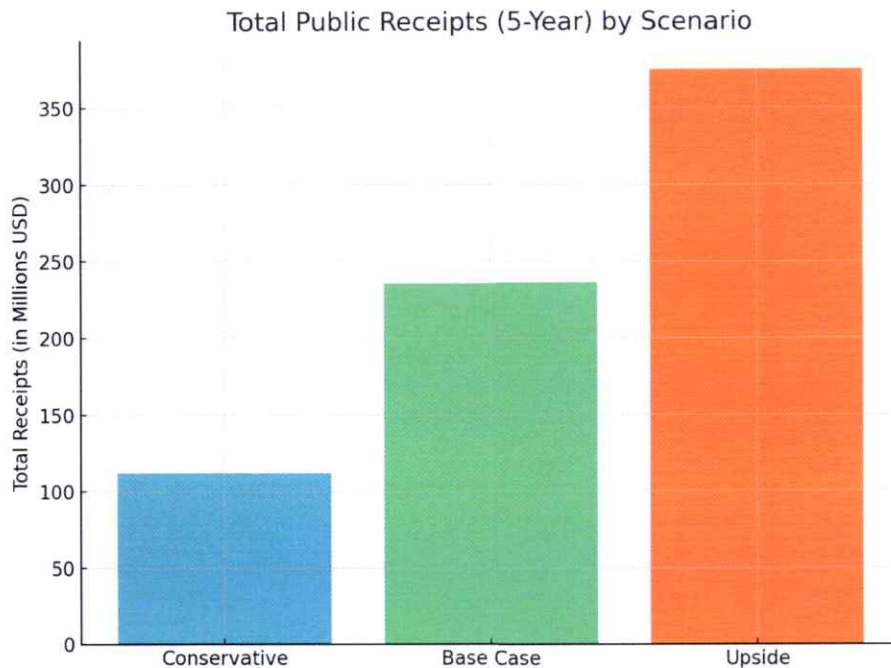
### **Revenue Projections (5-Year Outlook)**

The following charts illustrate the conservative, base, and upside revenue scenarios.

| Year | Locations | Avg GGR per Location (\$) | Total GGR (\$) | CGRT Rate | CGRT (\$)  | License Fees (\$) | Regulatory Fees (\$) | Application Fees (\$) | Total Public Receipts (\$) |
|------|-----------|---------------------------|----------------|-----------|------------|-------------------|----------------------|-----------------------|----------------------------|
| 1    | 1         | 30,000,000                | 30,000,000     | 12%       | 3,600,000  | 2,000,000         | 1,000,000            | 500,000               | 7,100,000                  |
| 2    | 2         | 40,000,000                | 80,000,000     | 12%       | 9,600,000  | 3,000,000         | 2,000,000            | 500,000               | 15,100,000                 |
| 3    | 3         | 50,000,000                | 150,000,000    | 12%       | 18,000,000 | 4,000,000         | 3,000,000            | 500,000               | 25,500,000                 |
| 4    | 3         | 50,000,000                | 150,000,000    | 12%       | 18,000,000 | 2,000,000         | 1,000,000            | 500,000               | 21,500,000                 |
| 5    | 4         | 50,000,000                | 200,000,000    | 12%       | 24,000,000 | 2,000,000         | 1,000,000            | 500,000               | 27,500,000                 |







### Scenario Details

#### Conservative Scenario:

- 2→3 licensed locations
- Average GGR: \$50M per location
- CGRT: 10%
- 5-Year Total: ≈ \$110M–\$130M

#### Base Case Scenario:

- 3→4 licensed locations (Years 1–2 = 3; Year 3 onward = 4)
- Average GGR: \$100M per location
- CGRT: 12%
- 5-Year Total: ≈ \$236M (≈ \$205M CGRT + ≈ \$31M fees)

#### Upside Scenario:

- 3→5 licensed locations by Year 3
- Average GGR: \$175M per location
- CGRT: 15%
- 5-Year Total: ≈ \$350M+

### Online Gaming Projections

- The legalization of iGaming and digital wagering provides an additional scalable revenue stream:
- Conservative: 5–8% uplift in GGR by Year 5
  1. Base: 10% uplift (≈ \$20M over 5 years)
  2. Upside: 15–20% uplift (≈ \$40–50M over 5 years)

## **Fiscal and Economic Impact**

- Direct Revenues: New, stable income streams tied to actual gaming performance
- Retirees' Pension: Dedicated \$12.5M annually for the 25% obligation
- Multiplier Effect: Job creation, hotel renovations, airline route stimulation, and consumer spending growth
- Regulatory Sustainability: CCC operations fully self-funded through regulatory fees

## **Conclusion**

The amendment to P.L. 18-56 provides a balanced, forward-looking fiscal framework. By diversifying licenses, aligning revenues with performance, and incorporating online gaming, the Commonwealth can conservatively expect \$100M+ in 5 years, with optimal scenarios yielding over \$230M. This reform is critical to stabilizing the CNMI's finances, protecting retirees, and restoring investor confidence in the gaming sector.

# DRAFT LEGISLATION ANALYSIS: TO AMEND PL 18-56

Key Changes, Justifications and References



## BACKGROUND

- PL 18-56 (2014 Casino Act):
  - Exclusive casino license on Saipan.
  - \$15.5M annual license fee; \$3.15M regulatory fee.
  - \$2B investment in an integrated resort with 2,000 rooms.
- Single-license model collapsed with IPI insolvency, leaving the CNMI with no revenue and a stalled project.

01

## FINDINGS

- The Single-license model is unsustainable.
- We need to remove the exclusivity license, diversify and reduce the investment barriers.
- Added a Casino Gross Revenue Tax (CGRT) to fund retirees' 25% pension and Government operation.
- Added Online gaming integration and Digital Payments to modernize our casino gaming law.

02

## JUSTIFICATION FOR AMENDMENTS

- 1. Unsustainability of Exclusivity:**
  - IPI insolvency proved monopoly risk.
  - Multiple licenses = diversification.
- 2. Investor Interest:**
  - Asset transitions show credible interest.
  - We need to lower entry barriers.
- 3. Tourism Recovery:**
  - Declining arrivals require diversification.
  - Casinos can reopen hotels & restore air routes.

03

## JUSTIFICATION FOR AMENDMENTS

### 4. Modernization of Gaming Law:

- Asia and USA adopting online gaming & digital currencies.
- CNMI risks being left behind.

### 5. Revenue for Retirees:

- \$12.5M annually needed for 25% Pension.
- Casino Gaming Revenue Tax provides recurring revenue.

### 6. Strengthened Regulation:

- CCC independence & self-funding critical.

### 7. Policy Shift to Competition (Open Market):

- Multiple operators promote innovation & stability.

04

## URGENT NEED FOR PASSAGE

- We need to stimulate jobs & construction.
- Bill will provide sustainable revenue for retirees.
- This will diversify & strengthen tourism economy.
- Modernize CNMI Casino law to match global gaming trends.
- Restore investor confidence with the CNMI.
- Restore industry credibility with independent regulation.

05

## DRAFT LEGISLATION ANALYSIS:

### SECTION BY SECTION COMPARISON AND JUSTIFICATION



## APPLICATION FEES

| Original Law (PL 18-56) | Draft Amendment (HB 24-xx)             | Key Justification  | Reference      |
|-------------------------|--|--|----------------|
| Application Fee \$1M    | Application Fee \$500,000 per location | Lowers barriers, encourages entry and fair competition; aligns with realistic market capacity. | § 2306(a), (b) |

07



## CASINO LICENSING MODEL

| Original Law (PL 18-56)   | Draft Amendment<br>(HB 24-xx)  | Key Justification   | Reference                       |
|---|--|---|---------------------------------|
| Exclusive casino license (only one operator); \$15.5M annual license fee. | Removes exclusivity; multiple non-exclusive licenses allowed; \$1M annual license fee. | Ends risky monopoly structure; creates competitive, resilient industry. | Sec. 1; § 2317(a)(1)(i) (A)-(B) |

08

## INITIAL INVESTMENT

| Original Law (PL 18-56)                              | Draft Amendment<br>(HB 24-xx)  | Key Justification  | Reference        |
|--|--|--|------------------|
| \$2B Integrated Resort requirement with 2,000 rooms. | Minimum of \$300M for new construction (min. of 250 rooms) or Minimum of \$50M renovation to an upscale facility (min. 250 rooms). | Aligns with realistic market capacity; supports acquisition of existing hotels for a casino facility | § 2306(d)(2)-(3) |

09

## CASINO GROSS REVENUE TAX (CGRT)

| Original Law (PL 18-56)                 | Draft Amendment<br>(HB 24-xx)   | Key Justification  | Reference |
|---|---|--|-----------|
| No CGRT; relied on license fee and BGRT | Introduces CGRT up to 15%, earmarked for retirees and reserve fund - balance up for appropriation by the Legislature. | Creates sustainable revenue source for the Retirees 25% pension. | § 2308    |

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## REGULATORY FEES

| Original Law (PL 18-56)                  | Draft Amendment<br>(HB 24-xx)  | Key Justification   | Reference |
|--|--|---|-----------|
| \$3.15M Flat Regulatory fee tied to JPL. | \$1M per license/location; increases 5% every 5 years - max at the 20 year; retained by CCC for regulatory operations. | Ensures CCC Independence and funding stability; fair distribution across multiple operators | § 2309    |

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## REGULATORY AUTHORITY AND CCC

| Original Law (PL 18-56)   | Draft Amendment (HB 24-xx)   | Key Justification  | Reference           |
|---|--|--|---------------------|
| Limited definitions; CCC oversight tied to exclusive license model. | CCC reaffirmed as autonomous; expanded powers including online gaming, sports betting. | Aligns law with modern gaming practices; empowers CCC with oversight tools and autonomy. | §§ 2313, 2314, 2316 |

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## COMMISSIONER COMPENSATION

| Original Law (PL 18-56)                      | Draft Amendment (HB 24-xx)   | Key Justification  | Reference                             |
|--|--|--|---------------------------------------|
| Commissioners compensated at \$65K annually. | Meeting based honoraria: \$500 per monthly meeting and \$250 per Committee meeting. Funded only from Regulatory Fee Fund. Compensation default to 1 CMC § 8247 rates if no licensed operator or paid casino applicant. | Aligns with 1 CMC § 8247 framework but provides modestly higher compensation to reflect the substantial responsibilities and workload of the Commission. | § 2313(g); 1 CMC § 8247; 1 CMC § 7407 |

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## CONVERSION LICENSE (GRANDFATHER)

| Original Law (PL 18-56)     | Draft Amendment (HB 24-xx)  | Key Justification   | Reference |
|-----------------------------|---|---|-----------|
| No provision for successors | Qualifying Successor may convert to non-exclusive license if "exclusive license" is waived. | Allows orderly transition from IPL assets; prevents monopoly renewal. | § 2317(h) |

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## MODERNIZING OF THE CASINO ACT

| Original Law (PL 18-56) | Draft Amendment (HB 24-xx)   | Key Justification   | Reference                    |
|-------------------------|--|---|------------------------------|
| Land-based casino only. | Legalizes and regulates internet/online gaming; authorizes digital payments and stablecoins; taxed under CGRT. | Modernizes CNMI framework; positions CNMI competitively; captures online revenue opportunities. | Sec. 1; § 2314(f); Article 6 |

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## CONFLICT OF INTEREST

| Original Law (PL 18-56)  | Draft Amendment (HB 24-xx)  | Key Justification                               | Reference |
|--|---|---|-----------|
| General Ethics Rules; 18th Legislators and their immediate family barred from casino employment for 5 years. | 24th Legislators and their immediate family is barred from casino employment/contracts for 5 years. | Protects integrity; avoids political influence. | § 2326    |

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## PUBLIC PURPOSE OF REVENUES

| Original Law (PL 18-56)                     | Draft Amendment (HB 24-xx)   | Key Justification                                  | Reference |
|---|--|--|-----------|
| Retirees' 25% pension funded by License Fee | License fees and Casino revenues prioritized for retirees' pension (25%) and a reserve fund in excess of the retirees 25% pension. | Ensures retirees' protection and fiscal stability. | § 2308(a) |

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## SUMMARY OF MAJOR SHIFTS

1. End of exclusivity – multiple non-exclusive casino licenses.
2. Lower financial barriers – reduced fees and flexible investments.
3. New CGRT ensures retirees' pensions are prioritized.
4. Stronger CCC – independent, autonomous, modern regulatory powers.

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## CONCLUSION & URGENT NEED

- The amendment to PL 18-56 is essential to:
  - Generate revenue for retirees and stabilize the 25% pension.
  - Stimulate construction, tourism, and employment.
  - Ensure regulatory integrity with an empowered CCC.
  - Align CNMI with global gaming and digital economy trends.
  - Protect the Commonwealth from repeating past monopoly failures.

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## FISCAL IMPACT ANALYSIS AMENDMENT TO PUBLIC LAW 18-56

REVENUE PROJECTIONS AND ASIA MARKET COMPARISON



## CURRENT ECONOMIC AND TOURISM SITUATION

- Visitor arrivals remain significantly below 2024 levels:
  - May 2025: 11,957 arrivals (-36% YoY; FYTD -26%)
  - April 2025: 11,877 arrivals (-39% YoY)
  - July 2025: 14,365 arrivals (-33% YoY; YTD -30%)
- Visitor arrivals remain about 60% less than pre-pandemic numbers.
- Air seat capacity has been reduced, especially from Korea, zero from China and minimal from Japan and Guam.
- Retirees' 25% funding remains a fiscal priority

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## REVENUE MECHANICS OF DRAFT AMENDMENT LAW

- **Application Fees:** \$500,000 per license (one-time)
- **License Fees:** \$1,000,000 annually per licensee per location
- **Regulatory Fees:** \$1,000,000 annually per licensed location (+5% every 5 years)
- **Casino Gross Revenue Tax (CGRT):** up to 15%, earmarked for retirees & reserve fund; remaining funds appropriated by Legislature.
- **CCC retains regulatory fees** (self-funding operations)

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## ILLUSTRATIVE REVENUE SCENARIOS

- **Conservative** (1 licensee, 1 location, \$30M Gross Gaming Revenue (GGR)):
  - Year 1: \$5.5M - \$7.0M
  - Ongoing: \$5.0M - \$6.5M
- **Base** (2 licensees, 2 locations, \$50M GGR):
  - Year 1: \$17M - \$21M
  - Ongoing: \$16M - \$20M
- **Optimistic** (3 licensees, 3 locations, \$80M GGR):
  - Year 1: \$36M - \$48M
  - Ongoing: \$34M - \$46M

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## KEY RISKS AND OFFSETS

- Demand Risk: Low arrivals cap GGR
- Air Service Risk: Reduced flights weaken recovery
- Regulatory Readiness: CCC must be staffed for multiple casino applicants
- Compliance: Online/digital gaming requires Anti Money Laundering (AML), Know Your Customer (KYC) and federal compliance
- Other Compliance: Unlawful Internet Gambling Enforcement Act (UIGEA), the Wire Act, the Bank Secrecy Act, and the Office of Foreign Assets Control (OFAC) regulations

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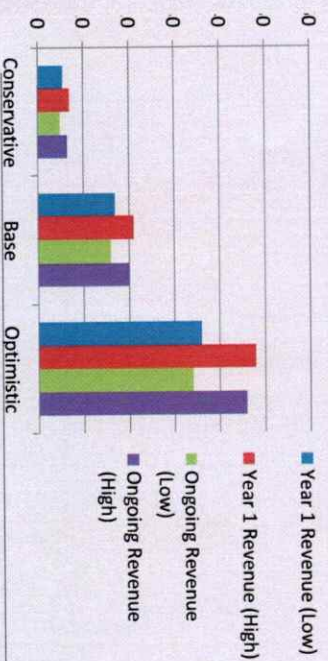
## BOTTOM LINE

- Conservative scenario: ~\$5.5M-\$7.0M Year 1 revenue
- Moderate recovery: ~\$17M-\$21M Year 1 revenue
- Strong recovery: up to ~\$48M Year 1 revenue
- Retirees' 25% Pension Fund prioritized in all scenarios
- Draft amendment provides both fixed fee floors (License and Regulatory fees) and scalable Casino Gross Gaming Revenue-based revenue

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## REVENUE SCENARIOS - YEAR 1 VS. ONGOING

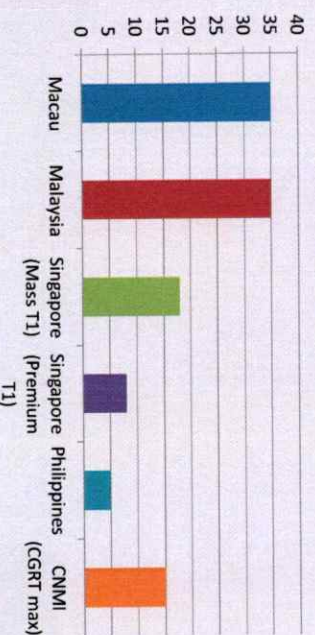
Government Revenue Projections (\$M)



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## HEADLINE CASINO TAX RATES - ASIA VS CNMI

Topline Casino Gaming Tax Benchmarks



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## POSITIONING TAKEAWAYS

- CNMI's  $\leq 15\%$  CGRT is below Macau/Malaysia (about 35% to 39%) and near Singapore's premium tier.
- Philippines' 5% franchise tax is lower, but CNMI's fixed fees and earmarking provide higher near-term yield.
- Fixed fees in CNMI create a revenue floor during low tourism; CGRT scales with recovery.
- Competitive tax + modernized online framework can attract investment while protecting retirees' pension funding.

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## FINAL MESSAGE

**"Restoring CCC authority and clearing the exclusive casino license barrier allows us to modernize the Casino Act, protect retirees' 25% pension, stimulate the economy through jobs & tourism and restart the gaming industry with credible regulation."**

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**TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE**

**IN THE HOUSE OF REPRESENTATIVES**

\_\_\_\_\_, 2025

**H.B. 24-** \_\_\_\_\_

**A BILL FOR AN ACT**

To amend Title 4, Division 2, Chapter 3 of the Commonwealth Code, to amend the Commonwealth Gaming provisions, remove exclusive license, and allow for more casino licenses; and for other purposes.

**BE IT ENACTED BY THE TWENTY-FOURTH NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

**Section 1. Findings and Purpose.**

(a) The Legislature finds that the Commonwealth Casino Law, as originally enacted, provided for an exclusive casino license. This model has proven unsustainable, as the sole licensee became entangled in litigation and was unable to deliver on its commitments. Reviving the industry requires a new framework that fosters competition, attracts credible investment, and restores confidence in the Commonwealth's gaming sector.

(b) The Legislature further finds that recent asset transitions in Saipan demonstrate continued investor interest in casino development. These developments present an opportunity to restructure the industry by authorizing multiple non-exclusive licenses under strong regulatory oversight, rather than relying on a single operator. Allowing qualified operators to enter the market will reactivate

1 hotels, unlock construction projects, and create local jobs, while promoting  
2 transparency and accountability.

3 (c) The Legislature recognizes that the decline of tourism airlift and visitor  
4 arrivals since the pandemic has undermined the assumptions of the prior  
5 exclusive model. Diversifying operators and projects will support a broader  
6 tourism recovery by re-opening hotel inventory, generating demand for new  
7 air routes, and aligning with global travel trends. Modernization is also  
8 required: advancements in Internet gaming and digital payment technologies,  
9 including stablecoins and municipal tokens, call for updated regulatory  
10 authority at the Commonwealth level to ensure consumer protection and  
11 compliance with federal law.

12 (d) The Legislature further finds that gaming revenues must be tied directly to a  
13 compelling public purpose. Retirees currently receive seventy-five percent  
14 (75%) of their pensions from the Settlement Fund, with at least \$12.5 million  
15 needed annually to cover the remaining twenty-five percent (25%) obligation.  
16 By establishing a performance-based Casino Gross Revenue Tax (CGRT), this  
17 Act ensures a reliable stream of revenue prioritized for retirees, while protecting  
18 the General Fund for essential government services.

19 (e) Finally, the Legislature affirms that a revitalized industry depends on credible  
20 and independent regulation. Nothing in this Act diminishes the powers of the  
21 Commonwealth Casino Commission (Commission). Instead, this Act



1 strengthens the Commission's role in licensing, oversight, and enforcement,  
2 ensuring that future operators meet the highest standards of suitability and  
3 financial integrity. The Commission will be self-funded through dedicated  
4 regulatory fees, avoiding any burden on the Commonwealth's general revenues.

5 (f) It is therefore the policy of the Commonwealth to end statutory exclusivity,  
6 authorize multiple non-exclusive casino licenses, modernize oversight to reflect  
7 current gaming technologies, and dedicate revenues to public priorities, while  
8 safeguarding transparency, accountability, and the long-term economic stability  
9 of the Commonwealth.

10 **Section 2. Amendment.** Title 4, Division 2, Chapter 3, Articles 1, 2, 3 are  
11 amended, and a new Article 6 is hereby enacted, to read as follows:

12 **Article 1. Gaming Provisions.**

13 § 2301. Exclusion from Gambling Prohibition.

14 Casino gaming and wagering is authorized in the Commonwealth provided that  
15 such gaming and wagering occurs in the casino facilities of the casino operator licensed  
16 pursuant to this chapter or in a casino licensed pursuant to the laws of a Senatorial District.

17 § 2302. Central Government Taxation.

18 (a) The taxes imposed by 4 CMC § 1505, 4 CMC § 1503, Amusement Machines,  
19 4 CMC § 1504, Limitation on Number of Poker Machine License Issued, and 4 CMC §

1 1506 Criminal Penalty, and 4 CMC § 1507, Regulations, shall not apply to a licensed  
2 casino.

3 (b) Funds received from the casino license fees pursuant to 4 CMC § 2306 shall not  
4 be Commonwealth general funds and such funds shall be appropriated pursuant to this  
5 chapter.

6 (c) No Qualifying Certificates for Casinos in the Third Senatorial District or Saipan.

7 (1) The Investment Incentive Act of 2000 (Public Law 12-32), as amended  
8 and re-codified at 4 CMC §§ 50201 *et seq.*, shall not be applicable to the casino  
9 located on Saipan and licensed pursuant to this chapter, and such casino shall not  
10 be eligible for a qualifying certificate. Notwithstanding any other provision of law,  
11 if such casino, located on Saipan is part of a larger business or project for which a  
12 qualifying certificate is issued under such act, no tax on or derived from the  
13 operation or revenue of such casino, including but not limited, to concession food  
14 and beverage sales within a casino, shall be abated or rebated by virtue of such  
15 certificate.

16 (2) The Investment Incentive Act of 2000 (Public Law 12-32), as amended  
17 and re-codified at 4 CMC §§ 50201 *et seq.*, applies to any business engaged in  
18 casino gaming activities conducted within its hotel-casino premises located in the  
19 senatorial districts of Tinian or Rota, and any such casino may be eligible for a  
20 qualifying certificate except for taxes applicable to casino gaming revenues.

1 (d) After April 2, 2015, no new or additional licenses for poker, pachinko, or similar  
2 amusement machines, but not including electronic gaming machines as defined in 6 CMC  
3 § 3154(a)(4), shall be granted or allowed to operate outside of the approved casino  
4 establishment or hotel, within the Third Senatorial District. The licenses issued for poker,  
5 pachinko, and similar amusement machines that began its operation prior to April 2, 2015  
6 shall be allowed to continue operation in the Third Senatorial District.

7 (e) Casino Regulatory Fee: Any fees imposed by the Commonwealth Casino  
8 Commission on a casino licensee pursuant to this Act or by regulation are capped on an  
9 annual basis as described in 4 CMC § 2309.

10 § 2303. Central Government Fees and Licenses.

11 The casino established pursuant to this chapter shall obtain and keep a valid  
12 business license and shall pay all fees associated with such business license prescribed by  
13 law unless exempted under this chapter.

14 § 2304. Criminal Penalties.

15 (a) Any person who knowingly and willfully violates any provision of this chapter  
16 or any regulation issued by a casino commission shall, upon conviction, be subject to a fine  
17 not less than \$10,000 nor more than \$100,000, or be imprisoned for not more than three  
18 years, or both.

19 (b) Any penalty imposed under this section shall be in addition to any civil penalty  
20 or other sanction imposed by or pursuant to this chapter.

21 § 2305. Administrative Procedure.

1 Any action taken by the Commonwealth Casino Commission, including the  
2 promulgation of any rule or regulation and the imposition of any civil penalty, shall be  
3 subject to the Administrative Procedure Act (1 CMC §§ 9101 *et seq.*). Provided that  
4 Commission orders regarding an applicant or licensee's security or safety procedures and  
5 the storage or movement of money shall not be published in the CNMI Register but shall  
6 be effective against applicants or licensees as if it had been published in the Register, if the  
7 applicant or licensee was given actual notice of the order.

8 § 2306. Fees and Initial Investment.

9 (a) Application Fees. An applicant for a casino license under this chapter shall pay  
10 a one-time nonrefundable application fee of five hundred thousand dollars (\$500,000) per  
11 location. The applicant must submit an application to the Commonwealth Casino  
12 Commission and on the same day deposit the five hundred thousand dollars (\$500,000) fee  
13 with the Commission in the Commonwealth Casino Applicant Fund (CCAF). The  
14 application fee shall be deemed to include all costs reasonably incurred by the Commission  
15 in connection with the review, investigation, and vetting of the applicant and any associated  
16 persons, including but not limited to background checks, financial suitability analyses, and  
17 other due diligence activities necessary to determine licensure eligibility.

18 (b) Casino License Fees. The annual fee for the casino license shall be one (1)  
19 million dollars (\$1,000,000) and shall be paid as follows:

20 (1) Payment of \$2,000,000 shall be paid upon the receipt of the casino  
21 license to cover the first and second year.



1           (i) To be eligible for the casino license, the \$2,000,000 required for the first  
2           and second year fees shall be deposited in a third-party independent escrow  
3           account, to be selected by the Secretary of Finance. Documentation evidencing  
4           such deposit shall be submitted to the Commonwealth Casino Commission with the  
5           applicant's business plan. The funds and any interest shall be released from escrow  
6           to the Commonwealth Treasurer upon the issuance of the casino license to the  
7           applicant depositing the funds. If a casino license is not issued to the applicant  
8           depositing the funds, the funds minus the non-refundable application fee and any  
9           interest shall be released to such applicant upon the denial of the application.

10           (2) The annual license fee of \$1,000,000 shall be paid when the fees for the  
11           third through fifth year are due; and

12           (3) The annual license fee of \$1,000,000 plus the adjusted amount, in  
13           accordance with the Consumer Price Index (CPI) described in section 4 herein shall  
14           be paid when the fees for the sixth year are due; and \$1,000,000 plus the adjusted  
15           amount in accordance with the CPI described in section 4 herein for each year  
16           thereafter for every 5 year cycle.

17           (4) The annual license fee shall be adjusted every five years based on the  
18           cumulative change in the Consumer Price Index developed by the Commonwealth  
19           Department of Commerce for Saipan for the previous five years. The license fee  
20           shall not be reduced below \$1,000,000.

1 (c) An applicant must satisfy the payment requirements under subsections (a) and  
2 (b) of this section to be eligible for a license under this chapter. An applicant who fails to  
3 deposit the \$500,000 application fee and the \$2,000,000 Casino License Fee, as required,  
4 shall be automatically rejected.

5 (d) An applicant who fulfills the requirements of subsections (a) and (b) shall  
6 submit an acceptable business plan to the Commonwealth Casino Commission no later  
7 than the date designated by the Commonwealth Casino Commission.

8 (1) The business plan must provide a timeline and cost breakdown that  
9 specifically demonstrates how and when the applicant will comply with the  
10 requirements of the minimum initial investment under subsection I.

11 (2) The applicant who is granted a license under this chapter shall make an  
12 initial investment of at least three hundred million dollars (\$300,000,000) for new  
13 construction, to include a casino and a resort with a minimum of ~~250~~ 100 guest  
14 rooms.

15 (3) In the alternative to subsection (2), an applicant who is granted a license  
16 under this chapter may satisfy the initial investment requirement by acquiring and  
17 renovating an existing hotel property for the purpose of establishing a casino and  
18 resort facility. Such acquisition and renovation shall require a minimum capital  
19 investment of not less than fifty million dollars (\$50,000,000), and the renovated  
20 facility shall include a casino and a resort with no fewer than ~~250~~ 100 guest rooms.  
21 The renovated facility shall be upgraded to an upscale hotel and casino resort as

1 defined and determined by the Commonwealth Casino Commission through  
2 regulation.

3 (e) Casino License.

4 (1) A Casino License shall be issued with respect to a single, specific  
5 location within the Third Senatorial District.

6 (2) Once a Casino License is issued, the licensee may expand its casino  
7 facilities within the same licensed location without incurring separate or additional  
8 License Fee or Regulatory Fee obligations.

9 (3) If a licensee seeks to operate a casino in another location within the  
10 Third Senatorial District, such operation shall constitute as a separate Casino  
11 License. Each separate license shall require independent approval by the  
12 Commonwealth Casino Commission and shall be subject to payment of a separate  
13 and additional License Fee and Regulatory Fee applicable to that specific location.

14 (4) Accordingly, a single casino operator may be issued multiple Casino  
15 Licenses for distinct separate locations within the Third Senatorial District,  
16 provided that each license is separately approved and that the License Fee and  
17 Regulatory Fee are paid in full for each licensed location.

18 (f) Assignment or Transfer of an Existing Casino License.

19 (1) In the event of an assignment or transfer of a casino license, the  
20 prospective licensee shall, upon approval by the Commonwealth Casino  
21 Commission, pay the non-refundable application fee, the one-time license fee, and

1 the regulatory fee as required under the law in effect prior to the enactment of this  
2 Act. Thereafter, all annual license fees and regulatory fees shall be paid in  
3 accordance with the provisions of this Act and its amendments. The  
4 Commonwealth Casino Commission shall execute a new Casino License  
5 Agreement, or amend the existing Casino License Agreement, to incorporate the  
6 revised terms, conditions, and requirements established under this Act.

7 § 2307. Disposition of Revenues.

8 (a) All monies collected from casino license fees pursuant to 4 CMC § 2306 shall  
9 be deposited into the Commonwealth Treasury. Such funds shall be maintained in a  
10 separate account, distinct from the general fund of the Commonwealth government, and  
11 shall remain subject to legislative appropriation.

12 (b) All non-refundable application fees shall be deposited in the Casino  
13 Commission Application Fee (CCAF) Special Fund. Monies in the CCAF Special Fund  
14 shall be expended by the Commonwealth Casino Commission for the investigation of  
15 license applicants pursuant to 4 CMC § 2318, and for all reasonable costs associated with  
16 the review, granting, or denial of a casino license application. The Chairman of the  
17 Commonwealth Casino Commission shall serve as the expenditure authority for the CCAF  
18 Special Fund.

19 Any unexpended balance in the CCAF Special Fund, after the issuance of a license  
20 and payment of all obligations and encumbrances related to application review—including

1 investigative, travel, and meeting costs, etc. shall be transferred to the Commonwealth  
2 Casino Commission Regulatory Fee Fund (CCCRF).

3 § 2308. Disposition of Casino Gross Revenue Tax (CGRT).

4 The Secretary of Finance shall establish a special Casino Gross Revenue Tax  
5 (CGRT) Account separate from the general funds. The funds in the CGRT Account shall  
6 not lapse and are not subject to fiscal year limitation. In addition, the Secretary of Finance  
7 shall keep a record of the CGRT funds allocated pursuant to subsections (a) and (b).  
8 Notwithstanding 4 CMC §§ 1802 and 1804 or any other laws, gross revenue tax generated  
9 from a license holder under this chapter shall be deposited in the special CGRT Account,  
10 and shall be appropriated by the Legislature, unless otherwise specifically provided in this  
11 section, for the following purposes:

12 (a) The funds deposited into the CGRT Account after the beginning of each  
13 calendar year shall be earmarked and available for appropriation by the Legislature to cover  
14 or supplement the payment of 25% of class members' full benefits and any bonus to be  
15 distributed equally and cost of living allowance (COLA) to all Settlement Class Members  
16 and CNMI Fund members receiving annuity.

17 (b) Establishment. There is hereby established in the CGRT Account a subaccount  
18 designated as the Reserve Fund.

19 (1) The Secretary of Finance shall cause to be deposited in the Reserve Fund  
20 ~~5%~~ 10% of the tax revenue received pursuant to this section and any other funds as  
21 may be designated by the Legislature.

1           (2) The Secretary of Finance shall invest and manage Reserve Fund assets  
2           as a prudent investor would, by considering the purposes, terms, distribution  
3           requirements, and other circumstances of the Reserve Fund. The Secretary shall  
4           engage one or more fund custodians to assume responsibility for the physical  
5           possession of fund assets or evidences of assets. The custodian shall submit such  
6           reports, accountings, and other information in such forms and at such times as  
7           requested by the Secretary. All costs incurred for custodial services shall be paid  
8           from the fund. The custodian shall hold all assets for the account of the fund and  
9           shall act only upon the instruction of the Secretary, its administrator, or a member,  
10          committee, or agent so authorized by the Secretary. In order to secure expert advice  
11          and counsel, the Secretary may engage one or more investment managers and  
12          investment advisors. All costs incurred in this connection shall be paid from the  
13          Reserve Fund.

14          (c) After the amounts required pursuant to subsections (a) and (b) are satisfied, the  
15          balance of the CGRT Account shall be recorded, maintained, and accounted for to be  
16          reserved for appropriation by the Legislature.

17          (d) Within 30 days after each quarter, the Secretary of Finance shall report to the  
18          presiding officers of the legislature describing the total funds in the CGRT and the amount  
19          reserved for appropriation in accordance with subsections (a), and (b).

20          (e) The Commonwealth Casino Commission shall by regulation define “Casino  
21          Gross Revenue Tax” (CGRT) consistent with generally accepted gaming industry



1 principles within the applicable tax laws in the Commonwealth; provided that CGRT shall,  
2 at a minimum, mean the total amount wagered on gaming activities less winnings paid out  
3 to patrons, excluding non-cashable promotional credits and adjustments allowed by  
4 regulation.

5 (f) Imposition and Rate. A tax is hereby imposed on each casino licensee's CGRT  
6 less any rolling commission or rolling rebate approved by the Commission at a rate to be  
7 set by the Commission by regulation, not to exceed fifteen percent (15%). The  
8 Commission may establish a single uniform rate or a schedule of rates by game type or  
9 scale of operations, provided that the maximum rate shall not exceed fifteen percent (15%).

10 (g) In Lieu of Business Gross Revenue Tax (BGRT).

11 The CGRT imposed under this section is in lieu of the Business Gross Revenue Tax  
12 (BGRT) with respect to gaming revenues subject to CGRT. All non-gaming revenue  
13 streams of a casino licensee, including but not limited to lodging, food and beverage, retail,  
14 entertainment, parking, and other amenities, remain subject to the BGRT and the Hotel  
15 Occupancy Tax, as applicable under law.

16 (h) Administration and Collection. The Department of Finance (Division of  
17 Revenue and Taxation), in coordination with the Commission, shall administer, assess, and  
18 collect the CGRT. The Commission shall certify each licensee's monthly CGRT for tax  
19 purposes. Each licensee shall file monthly returns and pay CGRT on or before the  
20 twentieth (20th) day of the month following the month of activity, on forms prescribed by  
21 the Department of Finance.

1 (i) Rules. The Commission shall adopt regulations to implement this section,  
2 including definitions, reporting standards, and certification procedures. The Department  
3 of Finance may adopt rules and forms to administer, enforce, and collect the tax.

4 (j) Transition. The CGRT under this section applies to casino gross revenue  
5 received on or after the effective date of this Act. Any tax obligation under prior law for  
6 periods before the effective date remains due and enforceable.

7 § 2309. Commonwealth Casino Commission Regulatory Fee Fund.

8 (a) Casino Regulatory Fee. There is an established Casino Regulatory Fee, which  
9 is an annual fee due on or before October 1st of each year per licensee per location  
10 beginning October 1, 2026, or whenever paid. The Casino Regulatory Fee is the fee  
11 payable by each casino licensee per licensed location to the Commission and will cover  
12 costs, including but not limited to, those associated with the licensing, testing certification,  
13 auditing and approval of all casino slots and other gaming machines, casino table games  
14 and all other casino gaming activities conducted by the casino licensee at the licensed  
15 casino and regulated by the Commission as well as the costs of all applications, including  
16 their review, renewal and all related investigations, for licensing or permit or consent for  
17 casino employee licensees, casino key employee licenses. The Casino Regulatory Fee is  
18 due regardless of actual costs incurred by the Commission.

19 (b) Calculation of Casino Regulatory Fee: The Casino Regulatory Fee per license  
20 per location will be a flat fee at a fixed rate of \$1,000,000 annually with a five percent  
21 increase every five years for the following twenty years. After the twentieth year, the

1 maximum Casino Regulatory Fee per each licensee per each location will be reached and  
2 maintained for the remaining duration until the end of the casino license term, including  
3 all extensions of the casino license.

4 (c) Authorization: The Commission is authorized to collect the Casino Regulatory  
5 Fee as described in 4 CMC § 2309(a) and the receipt of full payment will be sufficient for  
6 4 CMC § 2309(b) purposes.

7 (d) The Commonwealth Casino Commission shall establish and maintain a  
8 Commonwealth Casino Commission Regulatory Fee Fund (CCCRF Fund) to be kept  
9 separate and apart from the general funds of the Commonwealth government. The non-  
10 refundable application fees, investigative fees, Casino Regulatory Fees, and renewal fees  
11 for casino employee licenses, casino key employee licenses, casino service provider  
12 licenses, casino vendor licenses, casino junket operator licenses, machine and table  
13 licenses, casino-related application fees, renewal fees, or casino-gaming related regulatory  
14 fees of any kind established by and charged by the Commission shall be deposited into the  
15 CCCRF Fund. Regulatory fines or penalties imposed by the Commission shall be  
16 deposited into the CCCRF Fund. Any money or property received by the Commission  
17 from any other government or governmental agency or entity of any kind whatsoever,  
18 except for monies appropriated to the Commission by Commonwealth law shall be  
19 deposited into the CCCRF Fund. The CCCRF Fund shall be subject to annual  
20 appropriation beginning fiscal year 2026 or thereafter. The Secretary of Finance shall  
21 transfer any balance in or owed to its CCCRF Fund existing on the effective date of this

1 Act to the CCCRF Fund established by the Commonwealth Casino Commission. The  
2 CCCRF shall be expended by the Commonwealth Casino Commission for the operation,  
3 personnel, and all other expenses of the Commission including but not limited to the  
4 investigation and licensing of key employees, employees, service providers, vendors,  
5 junket applicants, machines, gaming tables, and any other fees and costs associated with  
6 reviewing the applications for various licenses. The expenditure authority for the  
7 Commission shall be the Chairperson of the Commonwealth Casino Commission or his  
8 designee. The CCCRF Funds are earmarked for the Commission's use in regulating the  
9 casino licensee and the casino industry and are subject to further appropriation in the annual  
10 appropriations and are available without fiscal year limitation. The Commission shall  
11 maintain records and account for the expenditures made from both the Commonwealth  
12 Casino Applicant Fund (for future license application fees) and the CCCRF Fund and  
13 submit reports to the Governor and the presiding officers of the Legislature.

14 (e) Notwithstanding 4 CMC §§ 2309(f) and 2314(l), all Casino Regulatory Fees  
15 collected pursuant to this Act, including but not limited to the one million dollars  
16 (\$1,000,000) annual regulatory fee per new casino license and any regulatory fees imposed  
17 upon the existing licensee of three million one hundred fifty thousand dollars (\$3,150,000),  
18 are hereby appropriated to the Commonwealth Casino Commission for its personnel,  
19 operations, and regulatory expenditures for FY 2026. The expenditure authority shall be  
20 the Chairperson of the Commission or his or her designee. Such appropriations shall  
21 remain available without fiscal year limitation and shall not require further legislative

1 action. Subsequent Casino Regulatory Fee payments shall be subject to appropriation as  
2 provided in 4 CMC § 2314(l). The Commission is authorized to hire or fill the necessary  
3 full-time employee positions subject to availability of funds. Thereafter, as an autonomous  
4 agency, the Commission shall determine its staffing levels for full-time, part-time,  
5 seasonal, and temporary employees depending on the increases in the number of licensees  
6 for each of their licensed locations. The Commission may increase the number of staffing  
7 provide that the number of licensed locations increase to effectively carry out the regulatory  
8 mandates set by the Commission. The CCCRF Fund shall be subject to legislative  
9 appropriation, and expenditures shall comply with the oversight and reporting  
10 requirements established under Public Law 21-38.

11 (f) Regulations: The Secretary of Finance may promulgate regulations consistent  
12 with the purposes of this section.

13 (g) The Commonwealth Casino Commission shall establish and maintain a  
14 Commonwealth Casino Commission Appropriations Fund (CCCA Fund) to be kept  
15 separate and apart from the general funds of the Commonwealth government. The monies  
16 appropriated to it pursuant to law shall be deposited into the CCCA Fund. Unless otherwise  
17 directed by the appropriating body, the expenditure authority for the Commission shall be  
18 the Chairperson of the Commonwealth Casino Commission or his designee.

19  
20 **Article 2. Casino Controls.**

21  
22 § 2311. Purpose of Article.

1           This article provides for and controls casino gambling in the Commonwealth  
2 pursuant to this chapter.

3           § 2312. Definitions.

4           As used in this chapter, the term:

5           (a) “Casino” means a place, area, structure, vessel, communication channel, or  
6 other thing, tangible or intangible, subject to licensing pursuant to this chapter for the  
7 conduct and playing of one or more games, or the acceptance of bets and wagers, including  
8 all associated activities of gaming and wagering, such as money counting, surveillance,  
9 accounting, and storage, related to such conduct and playing, provided, that such term shall  
10 not include areas of a resort complex or other facility exclusively devoted to other  
11 activities, such as a hotel, golf course, etc., in which no game is conducted or played and  
12 no wagering occurs;

13           (b) “Casino employee” means any natural person employed by the licensed casino  
14 who carries out or conducts casino gaming activities as part of the business of the casino  
15 licensee, which person shall be eighteen years of age or older and hold a license granted  
16 by the Commission. Persons deemed to be casino employees shall include

17                   (1) Table games personnel who attend to or conduct gaming activities,  
18 including dealers, floor people, pit managers and shift managers.

19                   (2) Cage and count room personnel who support gaming activities within  
20 the casino, including cashiers, supervisors and shift managers.

- 1           (3) Security personnel who work within the casino gaming areas, including  
2           guards, supervisors and shift managers.
- 3           (4) Surveillance personnel who work within the casino gaming areas,  
4           including operators, supervisors and shift managers.
- 5           (5) Marketing personnel who attend to or support gaming activities within  
6           the casino gaming areas, including hosts, marketing representatives,  
7           supervisors and shift managers.
- 8           (6) Slot machines personnel who attend to or support gaming activities  
9           within the casino, including attendants, technicians, supervisors and shift  
10          managers.
- 11          (7) Accounting personnel who work directly with financial information  
12          relating to gaming activities, including revenue auditors staff accountants  
13          and supervisors.
- 14          (8) Information technology personnel who attend to or support gaming  
15          activities within the casino, including technicians, engineers and  
16          supervisors.
- 17          (9) Members of the management team who are manager level and above  
18          and who oversee or supervise or have responsibility over any of the above  
19          operations.
- 20          (10) Executive directors of the casino licensee.



1           (c) “Casino gaming activities” means all games of chance and other games played  
2 in major casino establishments in the United States and other games approved by the  
3 Commission, and further includes the operation of a sports book approved by the  
4 Commission to accept bets and wagers on sporting and other events which rely on events  
5 which occur within and without the casino;

6           (d) “Casino gross revenue” shall be defined by the Commission within the  
7 applicable tax laws of the Commonwealth by regulation as described in section §2308(e)  
8 hereinabove;

9           (e) “Casino service provider” means a person subject to licensing pursuant to this  
10 chapter that offers goods or services directly related to casino gaming activities, including  
11 such persons as gaming equipment manufacturers, importers, distributors, or repairers; and  
12 casino security services;

13           (f) “Commission” means the Commonwealth Casino Commission established by  
14 this article;

15           (g) “Convention center” is a place, combining the requirements of a hotel described  
16 in subsection (j) of this section, for a formal assembly or meeting of members,  
17 representatives, or delegates of a group, such as a political party, fraternity, union, business,  
18 government or religious entity;

19           (h) “Game” means any activity that includes elements of prize, consideration, and  
20 chance, or any “game” that is approved by the Commission for the casino’s purposes;

21           (i) “Gaming” means the playing of any game;

1 (j) "Hotel" means a building containing not fewer than ~~250~~ 100 sleeping units  
2 (rooms), each held available and used regularly for the lodging of tourists and guests who  
3 are also provided entertainment, meals, and other services;

4 (k) "Operator" means any person that actually provides the overall management of  
5 the operations of a casino, whether by ownership, lease, contract, agreement, or otherwise;

6 (l) "Person" includes a natural person, as well as a partnership, corporation,  
7 association, joint venture, or other business entity;

8 (m) "Resort" means a place, such as a hotel with no fewer than ~~250~~ 100 rooms and  
9 a meeting hall, convention center or other large event space capable of accommodating  
10 1,000 attendees, that is frequented by people for relaxation or recreation.

11 (n) "Wager" or "Wagering" means a contract in which two or more parties agree  
12 that a sum of money or other thing, tangible or intangible, shall be paid or delivered to one  
13 of them or that shall gain or lose on the happening of an uncertain event or upon the  
14 ascertainment of a fact in dispute.

15 (o) "Settlement Agreement" means the Final Amended Stipulation and Agreement  
16 of Settlement entered into in Johnson v. Inos, Civil Case No. 09-23 (D.N.M.I.)

17 § 2313. Establishment of Regulatory Commission.

18 (a) The Commonwealth Casino Commission is hereby established as an  
19 autonomous public agency of the government of the Commonwealth of the Northern  
20 Mariana Islands. As an autonomous public agency, it shall establish and maintain its own  
21 bank accounts, process the payroll of its members and employees, process payment for its

1 operational expenses, and handle procurement matters pursuant to regulations consistent  
2 with Commonwealth law enacted therefore. The Commission shall enact its own  
3 procurement policy, personnel policy, personnel classification structure, and a salary  
4 schedule for its employees consistent with Commonwealth law; provided that 1 CMC §  
5 8246 and § 8248 shall not apply to any employee of the Commonwealth Casino  
6 Commission.

7 (b) Appointment of Commissioners and Term. The Commission shall consist of  
8 five commissioners.

9 (1) The governor shall appoint all five commissioners subject to the advice  
10 and consent of the Senate. The governor shall appoint one commissioner from the  
11 First Senatorial District, one commissioner from the Second Senatorial District, and  
12 three commissioners from the Third Senatorial District. This section shall apply to  
13 all commissioners appointed after the effective date of this Act.

14 (2) Each member shall serve a term of six years, and each member shall  
15 serve one term. The term of a member is defined as the time a member serves as a  
16 commissioner regardless of the duration.

17 (3) Any vacancy shall be filled by the governor appointing a qualified  
18 person for the unexpired term thereof or for a new six-year term. No member shall  
19 serve more than one term. A member removed from the Commission for cause  
20 shall not be re-appointed to the Commission.

21 (c) Qualifications of Commissioners.

1           (1) Each member shall be a citizen ~~or national~~ of the United States and shall  
2           be a resident of and registered to vote in the Senatorial District from which they  
3           were appointed.

4           (2) A Commission member must be an adult, and possess a good moral  
5           character, a bachelor's degree in any field of study from a postsecondary  
6           educational institution accredited in the United States or must have at least five  
7           years work experience in the following areas: business management, government  
8           management, or financial management.

9           (3) No person may be appointed who has been convicted of a crime,  
10          excepting traffic offenses, in any jurisdiction of the United States, the  
11          Commonwealth or any foreign country carrying a maximum sentence of more than  
12          six months, or any crime or offense involving moral turpitude unless a full pardon  
13          has been granted.

14          (4) No member shall serve in any other positions established by this chapter  
15          or shall be an employee or official of the Commonwealth, or of a municipality,  
16          agency, corporation, or other instrumentality or branch of the Commonwealth, or  
17          of any agency of local government of the Commonwealth, except that a member  
18          may serve without additional compensation on a task force or other temporary body  
19          the work of which is related to the work of the Commission.

20          (5) No individual may serve as a member of the Commission, if such  
21          individual, or a parent or child of such individual, holds or is an applicant for any

1 license under this title or holds any direct or indirect financial interest in any person  
2 or entity that holds or is an applicant for any license under this title.

3 (6) The gender and ethnicity requirements of 1 CMC § 2901 shall not apply  
4 to the Commission.

5 (d) Removal of Commissioner for Cause Only. The Governor may, for cause only,  
6 suspend or remove any Commission member, without regard to who appointed said  
7 member, subject to judicial review by the Superior Court, which may stay such removal or  
8 suspension pending such review.

9 (e) Membership on the Commission shall be automatically forfeited upon violation  
10 of subsection (c) of this section, upon conviction of a felony, or upon conviction of any  
11 crime or offense involving moral turpitude.

12 (f) The Commission shall not be considered an agency of local government for  
13 purposes of Article VI, Section 8, of the Constitution.

14 (g) Honorarium. ~~Members of the Commission shall each be compensated at the~~  
15 ~~rate of \$60,000.00 per year; provided that each Commissioner must attend all scheduled~~  
16 ~~meetings unless excused by the Chairperson of the Commission. All compensation and~~  
17 ~~related expenses shall be funded exclusively from the Commonwealth Casino Commission~~  
18 ~~Regulatory Fee Fund established under § 2309 and shall be subject to appropriation by the~~  
19 ~~Legislature. Under no circumstance shall the compensation of Commissioners be paid from~~  
20 ~~the Commonwealth General Fund.~~

1       Members of the Commission shall be compensated for all commission meetings  
2       attended at \$500.00 for a full-day meeting and no more than \$250.00 for a half day or less  
3       meeting;

4       The members of the Commission shall be reimbursed in accordance with the  
5       Commonwealth law for any reasonable and necessary expenses incurred in the  
6       performance of their duties under this division. Rules and rates for travel and per diem rates  
7       shall be the same as those established for the executive branch.

8       If there are no casino operators licensed under this chapter, the compensation of the  
9       Commissioners shall default to the per diem and monthly limits applicable to members of  
10      boards and commissions under 1 CMC § 8247, or any successor provision of law, and such  
11      compensation shall likewise be payable only from the Regulatory Fee Fund and subject to  
12      legislative appropriation. All travel shall remain subject to 1 CMC § 7407.

13       (h) The members of the Commission shall elect their chairman, vice chairman,  
14      secretary and treasurer for terms of one year, beginning from the effective date of their  
15      term.

16       (i) Meetings and Quorum.

17               (1) Meetings of the Commission will be held at the discretion of the  
18      Chairperson at such times and places as he or she may deem necessary and  
19      convenient, or at the call of a majority of the members of the Commission.

1                   (2) Except as provided in this chapter, the Commission shall in all respects  
2                   comply with the provisions of the CNMI Open Government Act as set forth in 1  
3                   CMC § 9901 *et seq.*

4                   (3) The minimum number of members needed to constitute a quorum for  
5                   the conduct of Commission business shall be three members. A member who is  
6                   present in the CNMI may appear telephonically or via videoconference and shall  
7                   be deemed present to constitute a quorum.

8                   (4) A member of the Commission who is temporarily outside the  
9                   Commonwealth may, with the prior approval of the Chairperson, may participate  
10                  in meetings of the Commission by teleconference or videoconference. Such  
11                  participation shall be permitted only when necessary to achieve quorum, and the  
12                  member shall be deemed present for purposes of quorum and voting. The  
13                  Commission shall not encourage this practice, and in-person participation within  
14                  the Commonwealth shall remain the standard.

15                  (j) The members of the Commission are not employees of the Commission or the  
16                  Commonwealth government.

17                  (k) Commonwealth Casino Commission agents deemed essential. Notwithstanding  
18                  any other provision of law to the contrary, in the event of a budgetary or other crisis which  
19                  necessitates a temporary closure of the nonessential commonwealth agencies of the  
20                  Commonwealth the members, employees, and agents of the Commission shall be deemed  
21                  to be essential and shall continue to perform their duties.



1           § 2314. Powers and Duties of the Commission. The Commission shall have all the  
2 powers and authority necessary to carry out the purposes of this chapter, including, without  
3 limitation, the responsibility:

4           (a) To conduct hearings pertaining to the violation of this chapter or regulations  
5 promulgated hereto; including hearings for the purpose of approving casino licenses and  
6 other business allowed under this chapter.

7           (b) To promulgate such rules and regulations, as may be necessary to fulfill the  
8 intent, policies and purposes of this chapter. The Commission may use such rules and  
9 regulations to interpret, enlarge upon, except provisions defining the authority and powers  
10 of the Commission, or define, or any provision of this chapter to the extent that such  
11 provision is not specifically defined by this chapter. The rules and regulations shall, at a  
12 minimum, provide for the following:

13                   (1) A code of ethics for the members of the Commission and its officers and  
14 employees.

15                   (2) Supervision, monitoring and investigation or other means to ensure the  
16 suitability and compliance with the legal, statutory and contractual obligations of  
17 owners, operators, and employees of casinos and other persons licensed under this  
18 chapter.

19                   (3) The examination, supervision and monitoring of the continuing fiscal  
20 and financial capability of casino owners, operators, concessionaires and other

1 parties with any direct relation to the sole casino and to protect the public in the  
2 event that such capability is significantly diminished.

3 (4) To collaborate in the definition, coordination and execution of the  
4 economic policies for the operations of the casino games of fortune and other ways  
5 of gaming, pari-mutuels, wagering and casino gaming activities offered to the  
6 public.

7 (5) To authorize and certify all the equipment and utensils used by the  
8 operations of the concessionaires approved in the respective concessions.

9 (6) To issue licenses for “junket” promoters of casino games of fortune or  
10 other casino gaming activities.

11 (7) To examine, supervise and monitor the eligibility of the single or  
12 collective junket promoter(s), their partners and principal employees.

13 (8) To examine, supervise and monitor the activities and promotions of the  
14 junket promoters in relation to their compliance with legal, statutory, and  
15 contractual obligations, and other responsibilities stipulated in the applicable  
16 legislation and contracts.

17 (9) To investigate and penalize any administrative infractions practiced  
18 according to the appropriate substantial and procedural legislations.

19 (10) To ensure that the relationship of the licensed gaming operators with  
20 the government and the public is in compliance with the Commission’s regulations  
21 and provides the highest interest to Commonwealth.

1                   (11) The exclusion and removal of undesirable persons from the sole casino.

2                   (12) Civil penalties for the violation of provisions or regulations imposed  
3                   under this chapter.

4                   (13) Penalties for the late payment of applicable fines, or fees.

5                   (c) To levy fines and penalties for the violation of provisions of this chapter and the  
6                   regulation promulgated by the Commission.

7                   (d) To require and demand access to and inspect, examine, photocopy, and audit all  
8                   papers, books and records of the casino operator, the casino licensee, or any vendor  
9                   licensee, service provider licensee, or junket licensee on its premises or elsewhere as  
10                  practical, including inspecting the gross income produced by the licensee's business and  
11                  verification of their income, and all other matters affecting the enforcement of the  
12                  Commission's policy or as required pursuant to this chapter.

13                  (e) For the types of gaming and games to be covered by the casino license and their  
14                  structure.

15                  (f) The Commission shall also regulate sports betting, pari-mutuel betting, and other  
16                  wagering which relies on events occurring within or without the casinos regulated by the  
17                  Commission.

18                  (g) The Commission shall not regulate betting or wagering associated with  
19                  cockfighting.

20                  (h) The Commission shall have the authority to issue a license to a casino licensee.  
21                  The license shall not be suspended or revoked absent finding of clear and convincing

1 evidence during a hearing pursuant to 1 CMC § 9101 *et seq.* by unanimous vote of the  
2 Commonwealth Casino Commission.

3 (i) Information, data deemed confidential; exceptions.

4 (1) Except as otherwise provided in this chapter, all information required by  
5 the Commission to be furnished pursuant to this chapter or the regulations  
6 promulgated hereunder, or which may be otherwise be obtained, relative to the  
7 internal controls or to the finances, earnings, taxes, or revenue of any applicant or  
8 licensee shall be considered to be confidential and shall not be revealed in whole or  
9 in part except in the course of the necessary administration of this chapter, or upon  
10 the lawful order of a court of competent jurisdiction, or to the Office of the Public  
11 Auditor upon request, or to the Attorney General upon request, or to a law  
12 enforcement agency of the United States Government upon request, or, with the  
13 approval of the Attorney General, to a duly authorized law enforcement agency.

14 (2) All information and data pertaining to an applicant's criminal record,  
15 family, and background furnished to or obtained by the division or the Commission  
16 from any source shall be considered confidential and shall be withheld in whole or  
17 in part, except that any information shall be released upon the lawful order of a  
18 court of competent jurisdiction or to the Office of the Public Auditor upon request,  
19 or to the Attorney General upon request, or to a law enforcement agency of the  
20 United States Government upon request, or, with the approval of the Attorney  
21 General, to a duly authorized government agency.

1           (3) The following information to be reported periodically to the  
2 Commission by a casino licensee shall not be considered confidential and shall be  
3 made available for public inspection:

4                   (A) A licensee's gross revenue from all authorized casino gaming  
5 activities as defined in this chapter, and the licensee's gross revenue from  
6 simulcast wagering;

7                   (B)(i) The dollar amount of patron checks initially accepted by a  
8 licensee, (ii) the dollar amount of patron checks deposited to the licensee's  
9 bank account, (iii) the dollar amount of such check initially dishonored by  
10 the bank and returned to the licensee as uncollected, and (iv) the dollar  
11 amount ultimately uncollected after all reasonable efforts;

12                  (C) The amount of gross revenue tax or investment alternative tax  
13 actually paid and the amount of investment, if any, required and allowed,  
14 pursuant to Commonwealth law;

15                  (D) A list of the premises and the nature of improvements, costs  
16 thereof and the payees for all such improvements, which were the subject  
17 of an investment required and allowed pursuant to Commonwealth law;

18                  (E) A list of the premises, nature of improvements and costs thereof  
19 which constitute the cumulative investments by which a licensee has  
20 recaptured profits pursuant to Commonwealth law;

1 (F) All quarterly and annual financial statements presenting  
2 historical data which are submitted to the Commission, including all annual  
3 financial statements which have been audited by an independent certified  
4 public accountant licensed to practice in the CNMI; and

5 (G) The identity and nature of services provided by any person or  
6 firm receiving payment in any form whatsoever for professional services in  
7 connection with the authorization or conduct of games conducted at a casino  
8 establishment.

9 (j) The Commission may impose reasonable charges and fees for direct costs  
10 incurred in the review, redaction, and copying, by the Commission of documents subject  
11 to public inspection without regard to whether the document is merely inspected by the  
12 requestor or whether copies are requested. Such fees shall be deposited into the CCCRF  
13 Fund.

14 (k) The Commission shall regulate facilities as are consistent with the provisions of  
15 the Casino License Agreement granted to the casino licensee and together shall be operated  
16 by the casino licensee.

17 (l) The Commission shall submit to the legislature for approval on or before April  
18 1 of each year a proposed annual budget for the next fiscal year in accord with the  
19 budgeting and planning procedure applicable to all departments of the Executive Branch  
20 beginning fiscal year 2027. Within its proposed budget, the Commission shall itemize all  
21 personnel, travel, and other expenses for the fiscal year in question; the sums required to

1 be expended during the year with respect to its casino regulatory responsibilities; and a  
2 detailed statement of all other Commission assets, liabilities, revenues and expenditures.

3 (m) The Commission may hold investigative hearings which may be conducted by  
4 one or more members with the concurrence of a majority of the Commission with public  
5 notice, or by a hearing examiner appointed by the Commission, with public notice, at such  
6 times and places, within the Commonwealth, as may be convenient. The Commission may  
7 have open working meetings, with notice, within the Commonwealth, to discuss and  
8 deliberate about any matter over which the Commission has jurisdiction. The Commission  
9 may attend gaming-related workshops, conferences and training courses which shall not  
10 constitute a working meeting. Final action shall only occur in an open meeting after  
11 appropriate notice has been given to the public.

12 (n) Subject to the provisions set forth in 4 CMC § 2314(i), the Commission may  
13 determine which information in its possession is unsuitable for public disclosure due to  
14 safety or security concerns, and to withhold the same from public inspection, copying or  
15 disclosure. The Commission may determine which information is suitable for disclosure  
16 and allow the disclosure and dissemination of the information. The Office of the Public  
17 Auditor and the Attorney General shall have access and authority to freely inspect,  
18 examine, audit, and photocopy all information in the Commission's possession upon  
19 request, including but not limited to all forms, applications, contracts, security plans, lists,  
20 internal procedures, orders, or documents of any kind, without regard to the manner of  
21 storage of the information, be it physical, electronic or otherwise.



1           (o) The Commission or any of its members with the concurrence of the majority  
2     has full power and authority to issue subpoenas and compel the attendance of witnesses at  
3     any place within the Commonwealth, to administer oaths, receive evidence, and to require  
4     testimony under oath. The Commission or any member thereof with the concurrence of  
5     the majority may appoint hearing examiners who may issue subpoenas, administer oaths,  
6     and receive evidence and testimony under oath.

7           (p) The powers and duties of the Commonwealth Casino Commission include, in  
8     addition to those enumerated herein, all expanded powers conferred under Public Law 21-  
9     38, including but not limited to subpoena authority, patron dispute resolution, self-  
10    exclusion program implementation, advertising regulation, and acceptance of funds or  
11    assistance from other governments.

12          (q) The Commission may pay transportation and other expenses of witnesses as it  
13    may deem reasonable and proper. Notwithstanding any other provision of law, the  
14    Commission may require any licensee or applicant which is the subject of the hearing to  
15    pay for all costs and expenses of said hearing, including the expenses of any witness.

16          (r) The Commission may initiate regulatory proceedings or actions appropriate to  
17    enforce the provisions of the gambling, or gaming laws of the Commonwealth, except for  
18    the local gaming initiatives of the First and Second Senatorial Districts and the regulations  
19    promulgated thereto, when appropriate shall, in conjunction with the Attorney General, sue  
20    civilly to enforce the provisions of the gambling and gaming laws of the Commonwealth,  
21    except for the local gaming initiatives of the First and Second Senatorial Districts and the

1 regulations promulgated thereto, and may request that the Attorney General prosecute any  
2 public offense committed in violation of any provision of gambling or gaming laws of the  
3 Commonwealth.

4 (s) To have sole jurisdiction to resolve disputes between patrons of a licensed casino  
5 facility subject to regulation by the Commission, and the licensee wherein the patron is  
6 attempting to collect a payout or other debt. The Commission shall provide by regulation  
7 the procedures by which disputes are to be resolved and may impose charges and fees  
8 therefore. Notwithstanding any other law to the contrary, the Commission's decisions on  
9 patron disputes may be reviewed by the Commonwealth Superior Court which may affirm  
10 the decision and order of the Commission or the hearing examiner, or it may remand the  
11 case for further proceedings, or reverse the decision only if the substantial rights of the  
12 petitioner have been prejudiced because the decision is:

13 (1) In violation of constitutional provisions;

14 (2) In excess of the statutory authority or jurisdiction of the Commission or  
15 the hearing examiner;

16 (3) Made upon unlawful procedure;

17 (4) Unsupported by any evidence; or

18 (5) Arbitrary or capricious or otherwise not in accordance with law.

19 (t) To have sole jurisdiction to determine whether a person or entity requires  
20 licensure or a finding of suitability in order to own, be employed by, receive revenue or  
21 profits (whether directly or indirectly) from, or do business with, a licensed casino facility

1 subject to regulation by the Commission, regardless of the location of the person or entity.  
2 Further, the Commission shall have sole jurisdiction to determine whether a person or  
3 entity remains suitable in order to continue to own, be employed by, receive revenue or  
4 profits (whether directly or indirectly) from, or continue to do business with, a casino  
5 facility regulated by the Commission. Notwithstanding any other law to the contrary, the  
6 Commission's decisions on licensure or finding of suitability may be reviewed by the  
7 Commonwealth Superior Court which may affirm the decision and order of the  
8 Commission or the hearing examiner, or it may remand the case for further proceedings,  
9 or reverse the decision only if the substantial rights of the petitioner, applicant or license  
10 holder have been prejudiced because the decision is:

11 (1) In violation of constitutional provisions;

12 (2) In excess of the statutory authority or jurisdiction of the Commission or  
13 the hearing examiner;

14 (3) Made upon unlawful procedure;

15 (4) Unsupported by any evidence; or

16 (5) Arbitrary or capricious or otherwise not in accordance with law.

17 (u) The Commission shall have the authority to require performance and  
18 completion bonds in any amount agreeable to the Commission or any other means of  
19 assurance in lieu of a "bond" acceptable to the Commission that the project will be timely  
20 and fully completed, free of any mechanic's or other liens, prior to or during the  
21 construction of any facility that houses a facility or entity which requires a license from the

1 Commission. In addition to other Commonwealth regulatory agencies, the Commission  
2 may regulate the interior design, cleanliness or sanitation of any portion of the integrated  
3 resort, or other facility which requires or has a license issued by the Commission.

4 (v) To allow gaming to commence at any time, and in such locations in Saipan, as  
5 the Commission deems appropriate subject to other applicable CNMI laws and regulations.

6 (w) Notwithstanding any other provision of law, the Commonwealth Casino  
7 Commission shall have all oversight responsibility and authority necessary to assure  
8 compliance with this chapter, including but not limited to authority over: the  
9 commencement of operations and achieving minimum initial investment requirements. The  
10 Commission shall approve the casino licensee's set number of games, such as, but not  
11 limited to, slot machines or gaming tables, either in total or by category, or by location.

12 (x) To regulate the advertising, regardless of location, of any casino or other facility  
13 subject to licensure by the Commission.

14 (y) Self-Exclusion: The Commission may create self-exclusion programs in which  
15 problem gamblers or problem gamblers, may, and any licensed casino or other facility  
16 licensed by the Commission must participate. Such programs may include, but not be  
17 limited to, provisions which require problem gamblers to forfeit to the Commonwealth any  
18 chips, credits or wagering instruments of any kind on their possession in any facility from  
19 which they have been excluded, as well as provisions requiring any licensed facility to  
20 forfeit to the Commonwealth any or all of a self-excluded patron's losses if the excluded  
21 person is permitted to gamble or game once they have self-excluded.

1           (z) The Commission may accept money and property from other governments and  
2 governmental agencies and entities as a result in inter- and intra- governmental  
3 cooperation.

4           (aa) The Commission may exercise all powers incidental, convenient or necessary  
5 to enable it to administer or carry out any of the provisions of this chapter.

6           (bb) The Commission shall cause to be made and kept a record of all proceedings  
7 at regular and special meetings of the Commission. These records are open for public  
8 inspection, copying, and disclosure.

9           (cc) The Commission shall maintain a file of applications for licenses under this  
10 chapter, together with a record of all actions taken with respect to those applications. The  
11 file and record are open for public inspection, photocopying, and disclosure

12           (dd) The Commission shall maintain an alphabetical listing of all vendors doing  
13 business with the casino licensee, which shall include but not be limited to each vendor's  
14 name, registration or license number, mailing address, telephone number, authorized  
15 representative, and nature of services. The listing shall be open to public inspection, shall  
16 be updated regularly and at a minimum on a monthly basis, and shall be posted online at  
17 the Commission's official website.

18           (ee) The Commission may maintain such other files and records as they may deem  
19 desirable and make these available for public inspection.

20           § 2315. Executive Director.

1           (a) The Commission shall hire an Executive Director who will be responsible for  
2     the overall administration of the Commission and the supervision of the casino licensee  
3     and others pursuant to this chapter.

4           (b) Qualification of the Executive Director. The Executive Director shall possess  
5     the following minimum qualifications:

6                   (1) A bachelor's degree from a United States accredited educational  
7     institution or equivalent; and

8                   (2) Ten years of work experience in professional, administrative, or  
9     management in government or private sectors, preferably in the gaming industry;  
10    and

11                  (3) Good ethical and moral character; and

12                  (4) The Commission shall not hire any person for the Executive Director's  
13    position who has been convicted of a crime in any jurisdiction of the United States,  
14    or any foreign country carrying a minimum sentence of imprisonment of more than  
15    six months, excepting traffic offenses.

16                  (5) The Executive Director shall not have any interest, directly or indirectly,  
17    in any business under the jurisdiction of the Commission.

18           (c) The Executive Director shall be the head of the administration of the  
19    Commission, and subject to the general oversight and direction of the Commission, shall  
20    organize the work of the Commission in a manner that will ensure its efficient and effective  
21    operation and, subject to the budgetary authority, the Executive Director may hire and

1 terminate such staff, including a legal counsel and other professionals, necessary to carry  
2 out the purpose of the Commission. Such staff shall be exempt from the civil service. The  
3 Executive Director shall obtain such equipment, rent or build such additional office space,  
4 and generally make such regular office expenditure and acquisitions as necessary to  
5 establish and maintain a working office suitable for the Commission to effectively function  
6 pursuant to this chapter.

7 (d) The Executive Director shall have such other duties as may be assigned or  
8 delegated by the Commission.

9 (e) The Executive Director serves at the pleasure of the Commission.

10 (f) The annual salary and benefits of the Executive Director shall be established by  
11 the Commission, consistent with its autonomous authority, and shall be funded exclusively  
12 from the Commonwealth Casino Commission Regulatory Fee Fund established under §  
13 2309, subject to appropriation by the Legislature. In setting the salary, the Commission  
14 shall consider the need to attract and retain qualified applicants with relevant expertise and  
15 experience in the gaming industry and shall take into account prevailing market standards  
16 for comparable positions in the Commonwealth and other gaming jurisdictions. All travel  
17 shall be subject to 1 CMC § 7407.

18 § 2316. Rules and Regulations.

19 (a) The Commission shall promulgate rules and regulations to carry out the  
20 purposes of this chapter, including but not limited to, gaming promotional activities and  
21 licensing carried out by independent third parties (agents), granting of gaming credit,

1 prohibited gambling, anti-money laundering, compliance and internal controls, and control  
2 of the financial suitability of gaming operators. The Commission may, in addition to any  
3 other purpose, use such rules and regulations to interpret, enlarge upon, or define any  
4 provision of this title. Such rules and regulations shall take into consideration the need for  
5 companies generally to be able to participate in the gaming industry in the Commonwealth  
6 without jeopardizing their ability to maintain or receive gaming licenses from other United  
7 States or foreign jurisdictions.

8 (b) In addition to rules and regulations provided for in other provisions of this  
9 chapter, the rules and regulations shall provide for the following:

10 (1) Means to exclude from the gaming areas of a casino individuals under  
11 21 years of age, except such lawful employees of the casino or of a resort complex  
12 or other facility of which the casino forms a part as the Commission determines by  
13 regulation may be present in such areas; and

14 (2) Provisions for the casinos to attempt to identify and refuse service to  
15 gambling addicts and problem gamblers as they may be defined by the  
16 Commission.

17 § 2317. License.

18 (a) Casino License.

19 (1) License.

20 (i) Number of Authorized License.



1 (A) The granting of a casino license is within the discretion  
2 of the Commonwealth Casino Commission. The Commonwealth  
3 Casino Commission must act to deny or approve applications when  
4 the requirements of 4 CMC § 2318 have been completed. After  
5 approving an application for the casino license, the Commission  
6 may negotiate the terms of the license before it is issued. The license  
7 shall be subject to such conditions as the Commission deems  
8 necessary to assure compliance with this chapter, including  
9 timelines for construction, commencing operations, and achieving  
10 the minimum initial investment requirements. The issuance of the  
11 license by the Commonwealth Casino Commission shall not be  
12 subject to judicial review.

13 (B) In the event that a license is not issued as provided in this  
14 chapter, the Commonwealth Casino Commission shall establish  
15 new application timelines and may provide for additional  
16 application procedures and requirements that are consistent with this  
17 chapter.

18 (ii) Term. Once the casino license is granted, it shall be for a period  
19 of twenty-five (25) consecutive years with an option to extend the term for  
20 fifteen (15) additional years.

1 (iii) Criteria: Other criteria required for the issuance of a license  
2 shall be provided for by the Commonwealth Casino Commission but shall  
3 include financial capacity to operate hotel or resort and the casino that  
4 serves the best interest of the people of the Commonwealth both short term  
5 and long term as intended under this chapter.

6 (iv) Restrictions. The Commonwealth Casino Commission shall  
7 approve the casino licensee's set number of games, such as slot machines  
8 or gaming tables, either in total or by category, which will be offered for  
9 play for an establishment to constitute a casino. The Commonwealth  
10 Casino Commission shall determine whether a casino shall offer a sports  
11 pool, racebook, system for pari-mutuel wagering, or similar system  
12 dependent on on-premises or off-premises events. Pursuant to this  
13 subsection, each casino licensee shall operate a conforming casino in good  
14 faith so as to prohibit a license from being held without a good-faith casino  
15 operation. After the issuance of the license, the Commission may amend by  
16 regulation the requirements of 4 CMC Section 2317(a)(1)(iv) as it deems to  
17 be in the best interest of the Commonwealth.

18 (b) Casino Service Providers. The Commission shall, by regulation, determine  
19 which types of casino service providers shall require licensing under this chapter and shall,  
20 subject to 4 CMC § 2316, provide for such licensing.

21 (c) Individual Licenses.

1           (1) The Commission may, consistent with and in addition to other  
2           applicable Commonwealth laws and regulations, license or otherwise regulate the  
3           employment of individuals by or in the casino, and set charge fees therefore.

4           (2) The Commission may provide for the licensing of such types of  
5           employees of casino service providers as the Commission determines should be  
6           licensed, and of other types of individuals (other than patrons) who the Commission  
7           determines should be licensed because of their association with or presence in the  
8           casino, and set and charge fees therefore.

9           (d) Review. A license suspension or revocation is reviewable in the Commonwealth  
10          Superior Court as a final action of a government body.

11          (e) Inspection and Monitoring. The Commission shall provide by regulation, as a  
12          condition of a casino license or casino service provider license, that the Commission or its  
13          authorized representatives may inspect and monitor, at any time and with or without notice,  
14          any part of the licensed casino, its gaming operations, equipment, records, and related  
15          activities and any similar area or activity of the licensed casino service provider, and that  
16          a law enforcement officer may enter any such area as requested by the Commission.

17          (f) Change of Licensee. No license may be sold, assigned, pledged, transferred, or  
18          otherwise alienated or encumbered without the express written permission of the  
19          Commission or as the Commission may by regulation provide. A change in the ownership  
20          or control of a licensee shall be considered a transfer of a license under this subsection,  
21          except where a change in ownership is as a result of a change in stockholders of a publicly

1 held corporation. The seller of the license must pay all taxes due as a result of capital gains  
2 of the sale of the license. No sale or lease of a casino (or of a larger establishment of which  
3 the casino is a part) or contract for its operation or management may be entered into, except  
4 as set forth in subsections (f)(1) and (f)(2) herein.

5 (1) Before the license is granted, if such sale, lease, or contract was  
6 considered by the Commission in its decision on whether to grant the license; or

7 (2) After a license is granted and after any necessary investigation, with the  
8 express written permission of the Commission, which shall not be withheld  
9 unreasonably.

10 (g) License Not Property Right. A license granted by the Commonwealth Casino  
11 Commission:

12 (1) Is a purely personal privilege;

13 (2) Is valid for the period stated in the license, unless sooner revoked;

14 (3) Is renewable only as provided or allowed by the Commission by  
15 Regulation;

16 (4) Is revocable or suspendable as provided by the Commission by  
17 Regulation;

18 (5) Is transferable from the premises for which the license was originally  
19 issued to other premises, subject to the provisions of the gaming laws of the  
20 Commonwealth, regulations promulgated thereunder, and other applicable laws  
21 and regulations;

1 (6) Expires upon the death of the licensee, except as may be provided by  
2 the Commission by Regulation;

3 (7) Does not constitute property;

4 (8) Is not alienable;

5 (9) Is not subject to attachment or execution;

6 (10) Does not descend by the laws of the testate or intestate devolution.

7 (h) Grandfathered Conversion License; Qualifying Successor.

8 (1) Definitions. A “Qualifying Successor” means any entity, organized in  
9 the Commonwealth and approved by the Commission, that (a) acquired  
10 substantially all casino assets through a court-approved process; and (b) files with  
11 the Commission a written, irrevocable relinquishment of any claim to exclusivity  
12 under prior law or license instruments.

13 (2) Conditional Conversion Right. Upon timely application and  
14 demonstrated suitability, and subject to all requirements applicable to new casino  
15 licenses under this chapter and the Commission’s regulations, the Commission  
16 shall issue to the Qualifying Successor one (1) casino license, which shall be  
17 considered one (1) valid non-exclusive casino license under this chapter, provided  
18 that the applicant:

19 (a) satisfies fit-and-proper and financial capability standards; (b) executes  
20 any Commission-required compliance plan and bond/assurance; (c) is current on,  
21 or has Commission-approved agreements to cure, any lawfully imposed fees, taxes,

1 rents, or penalties relating to the assets and operations it elects to assume; and (d)  
2 agrees in writing that no right of exclusivity exists or will be asserted going forward.

3 (3) Timing. The conversion right under subsection (2) expires 180 days  
4 after the effective date of this Act unless extended by the Commission for good  
5 cause shown. After expiration, the applicant may compete for any remaining  
6 licenses on the same basis as any other applicant.

7 (4) No Waiver of Enforcement. Nothing in this section waives or impairs  
8 the authority of the Commission or other agencies to investigate, enforce, or  
9 sanction past or ongoing violations by any person, nor does it assume or release  
10 liabilities of the any prior estate except as otherwise agreed under applicable law.

11 (5) Non-Transferability; Not a Property Right. The conversion right is  
12 personal to the Qualifying Successor, is not transferable, and does not constitute  
13 property. Issuance remains contingent upon final Commission approval.

14 (6) Lease and Land Tenure. The Commission may condition issuance or  
15 activation of a conversion license on completion of any public land lease  
16 assignment and satisfaction of CNMI land use and permitting requirements.

17 (7) Regulatory Coordination. Within 90 days of this Act, the Commission  
18 shall promulgate interim rules for conversion procedures, application contents,  
19 technical standards, and milestones to commence and maintain operations under a  
20 conversion license.

21 § 2318. Investigations.

1           (a) Prior to the issuance of the license under this title, the Commonwealth Casino  
2 Commission shall investigate the applicant and any related or associated person holding  
3 more than five percent or more shares of the share capital up to the ultimate shareholder or  
4 a publicly held corporation for such license, as the Commonwealth Casino Commission  
5 determines to protect the public interest. If such person or a publicly held corporation holds  
6 a similar license from any other United States jurisdiction, the Commonwealth Casino  
7 Commission shall limit such investigation in determining the validity of that license and  
8 inquiring of the issuer of such license regarding any negative information relating to such  
9 person or a publicly held corporation. The Commonwealth Casino Commission may  
10 similarly limit the investigation of any such person or a publicly held corporation that holds  
11 such a license issued by a foreign jurisdiction upon the advice of the Federal Bureau of  
12 Investigation, the United States Department of the Treasury, or other applicable federal  
13 agency that the foreign issuer may be relied upon for such purpose.

14           (b) The Commonwealth Casino Commission shall, in connection with the potential  
15 sale, lease, transfer, change in ownership, or other change related to a license issued under  
16 this title, investigate any person involved in such transaction as necessary to protect the  
17 public interest in future activities under such license.

18           (c) The Commonwealth Casino Commission may require that a licensee reimburse  
19 the Commonwealth Casino Commission for its outside expenses incurred in the conduct  
20 of an investigation of the licensee or transferee.

1           (d) The Commonwealth Casino Commission may at any time investigate the holder  
2   of any license under this title or any related person, with or without notice to such holder  
3   or person, when it determines that such investigation is warranted.

4           § 2319. Detention of Violators.

5           The operator of a casino, any employee or agent of such operator, or any person  
6   inspecting or monitoring a gaming establishment on behalf of the Commission, may, upon  
7   reasonable suspicion, detain in a suitable place in such gaming establishment (or elsewhere  
8   in a resort complex or other facility of which the gaming establishment is a part) any person  
9   who, on the premises of such gaming establishment, is or may be violating this title or any  
10   regulation promulgated pursuant to this title, or who is or may be committing a related  
11   crime (such as a crime against property set out in Part 2 of 6 CMC, Division 1), using such  
12   force as is reasonably necessary for that purpose, until the arrival of a law enforcement  
13   office. The detaining person shall take such steps as are necessary to ensure that a law  
14   enforcement officer is summoned and arrives with as little delay as possible.

15          § 2320. Exclusion or Removal.

16          A casino operator or any employee or agent of such operator may exclude or  
17   remove any undesirable person from a casino pursuant to regulations promulgated by the  
18   Commission and may use reasonable force to carry out such exclusion or removal. A casino  
19   may establish and enforce a dress code for its patrons, and any person who fails to comply  
20   with such code on the premises of such gaming establishment may, at the discretion of the  
21   casino operator, be deemed an undesirable person for purposes of this section. Any action



1 taken under this section shall comply with any applicable federal or Commonwealth law  
2 that prohibits discrimination by private persons against individuals generally or against any  
3 protected class of individuals.

4 § 2321. Immunity for Detention, Exclusion, or Removal.

5 No civil or criminal action shall lie against any person for action reasonably taken  
6 pursuant to 4 CMC § 2319 or § 2320.

7 § 2322. Entry by Law Enforcement Officers.

8 A law enforcement officer may, without warrant, notice, or explanation, enter any  
9 area of a casino to which a patron of the casino or the public has access and, for such  
10 purpose, such area is a public place in which the officer may exercise any power or  
11 discharge any duty which may be exercised or discharged in a public place under this  
12 chapter or any other provision of law. A law enforcement officer may enter any other area  
13 of a casino or any area of a casino service provider with the consent of any person having  
14 control over such area, at the request of any person inspecting or monitoring such area on  
15 behalf of the Commission under 4 CMC § 2317(e), or as otherwise authorized by law.

16 § 2323. Gambling by Commission and Licensees Prohibited.

17 (a) No member, officer, employee, or agent of the Commission shall play any game  
18 in or make any bet or wager:

19 (1) the casino under the jurisdiction of the Commission;

20 (2) any other gaming establishment reasonably associated with any such  
21 gaming establishment;

1           (3) any gaming establishment, the owner, lessee, operator, or manager of  
2           which is an applicant for a license from the Commission, or is a potential applicant  
3           that has entered into discussions with the Commission prior to such application and  
4           has not clearly abandoned its interest in a license, or is reasonably associated with  
5           such an applicant or potential applicant; unless such playing of games or making of  
6           bets or wagers is absolutely necessary for investigative, compliance or enforcement  
7           purposes.

8           (b) No member, officer, employee, or agent of the Commission shall knowingly be  
9           an employee of or have any business or financial association with or interest in any casino  
10          or casino service provider licensee under this title or any business reasonably related to  
11          such license.

12          (c) No owner, lessee, operator, manager, officer, employee, agent, or other person  
13          associated with a casino licensed under this chapter shall play any game or make any bet  
14          or wager in such casino.

15          § 2324. Administrative Penalties.

16          The Commission may, by regulation, provide civil penalties for the violation of this  
17          chapter or of any regulation or order issued pursuant to this chapter. No penalty may exceed  
18          \$50,000, and a range of lesser penalties shall be provided for minor or intermediate  
19          violations. Such regulations may specify conditions under which a natural person who  
20          causes any other person to commit a violation (generally or for any specified type of  
21          transaction) shall also be liable for such violation. The Commission may suspend, reduce,

1 or rescind any penalty imposed pursuant to this section and according to any and all due  
2 process protections.

3 § 2325. Nonprofit Gaming Permits.

4 Notwithstanding the foregoing, the Secretary of Commerce's authority to grant  
5 special gaming permits for charitable organizations and 6 CMC § 3157 as applicable to  
6 nonprofit gaming permits shall not be in any way affected by any provision of this chapter

7 § 2326. Persons Ineligible for Employment.

8 Members of the 24<sup>th</sup> CNMI legislature and their immediate family as defined in 1  
9 CMC § 8503(h), shall not be paid or receive any financial consideration nor shall they be  
10 retained as independent contractors or employed directly or indirectly by any casino  
11 licensed under this chapter in its current form or as amended, or by said casino's affiliates  
12 or agents, for five (5) years beginning from the date of the issuance of said casino's license.

13 § 2327. Serving of Alcohol.

14 Notwithstanding any other law to the contrary, a holder of a casino employee or  
15 casino key employee license issued by the Commonwealth Casino Commission who is  
16 under 21 years of age but at least 18 years of age may possess and serve, but may not  
17 consume, alcohol in the course of the licensee's employment for which (s)/he is licensed.

18 § 2328. Contracts or Agreements with Certain Unsuitable or Unlicensed Persons  
19 Prohibited; Termination of Contract or Agreement.

20 (a) A person who has:

21 (1) Been denied a license by the Commonwealth Casino Commission;

1 (2) Been found unsuitable by the Commonwealth Casino Commission; or

2 (3) Had a license or finding of suitability revoked by the Commonwealth  
3 Casino Commission; shall not enter or attempt to enter into any contract or  
4 agreement with:

5 (i) the casino licensee regulated by the Commonwealth Casino  
6 Commission; or

7 (ii) a holder of any license granted by the Commonwealth Casino  
8 Commission; either directly or indirectly, through any business  
9 organization under such a person's control, that involves the operations of a  
10 licensee without the prior approval of the Commission. This provision does  
11 not prohibit any person from purchasing any goods or services for personal  
12 use from a licensee at retail prices that are available to the general public.

13 (b) Every contract or agreement with a person that is subject to the provisions of 4  
14 CMC § 2328(a) shall be deemed to include a provision for its termination without liability  
15 on the part of the licensee or applicant. Failure to expressly include that condition in the  
16 contract or agreement is not a defense in any action brought pursuant to this section to  
17 terminate the agreement.

18 § 2329. Remedies Are Cumulative.

19 The remedies of the Commonwealth Casino Commission, the Commonwealth, its  
20 political subdivisions and agencies for the imposition, collection, and payment of any  
21 penalty, fine, fee, license fees, taxes, and interest provided for in the Commonwealth Code,

1 the regulations of the Commission, and the regulations of any other government agency  
2 are cumulative to each other and any action taken or not taken by the Commission, the  
3 Commonwealth or any agency does not constitute an election by the Commonwealth, the  
4 Commission or any other agency to pursue or not pursue any remedy to the exclusion of  
5 any other remedy for which provision in the Code or any regulation.

6 § 2330. Remuneration, Contracts, and Employment Prohibited for Certain  
7 Unsuitable or Unlicensed Persons.

8 If any person who is required by law or the regulations promulgated by the  
9 Commonwealth Casino Commission to be licensed or found suitable because of the  
10 person's connection with a corporation, partnership, limited partnership, limited-liability  
11 company or other business organization holding or applying for a license, or a holding  
12 company or intermediary company, including a publicly traded corporation, fails to apply  
13 for a license or a finding of suitability after being requested to do so by the Commission or  
14 is denied a license or a finding of suitability, or if the person's license or finding of  
15 suitability is revoked, the corporation, partnership, limited partnership, limited-liability  
16 company, business organization, holding company, intermediary company or any person  
17 who directly or indirectly controls, is controlled by or is under common control with the  
18 corporation, partnership, limited partnership, limited-liability company, business  
19 organization, holding company or intermediary company shall not, and any licensee or an  
20 affiliate of the licensee shall not, after receipt of written notice from the Commission:

1           (a) Pay the person any remuneration for any service relating to the activities of a  
2     licensee, except for amounts due for services rendered before the date of receipt of notice  
3     of such action by the Commission. Any contract or agreement for personal services or the  
4     conduct of any activity at a licensed gaming establishment between a former employee  
5     whose employment was terminated because of failure to apply for a license or a finding of  
6     suitability, denial of a license or finding of suitability, or revocation of a license or a finding  
7     of suitability, or any business enterprise under the control of that employee and the  
8     licensee, holding or intermediary company or registered publicly traded corporation is  
9     subject to termination. Every such agreement shall be deemed to include a provision for its  
10    termination without liability on the part of the licensee upon a finding by the Commission  
11    that the business or any person associated therewith is unsuitable to be associated with a  
12    gaming enterprise. Failure expressly to include such a condition in the agreement is not a  
13    defense in any action brought pursuant to this section to terminate the agreement.

14           (b) Enter into any contract or agreement with the person or with a business  
15    organization that the licensee knows or under the circumstances reasonably should know  
16    is under the person's control which involves the operations of a licensee, without the prior  
17    approval of the Commission.

18           (c) Employ the person in any position involving the activities of a licensee without  
19    prior approval of the Commission.

20           § 2331. Inspections.

1           (a) The Commonwealth Casino Commission may inspect every game, gaming  
2 device, gambling device, electronic table game, and associated equipment which is  
3 manufactured, sold or distributed for use in the Third Senatorial District, before it is put  
4 into play and may inspect every game, gaming device, gambling device, electronic table  
5 game, and associated equipment, which is offered for play or possessed by any person  
6 within the Third Senatorial District, by the gaming licensee, or by any other licensee or  
7 person required to be licensed by the Commission.

8           (b) The Commission may inspect all associated software and equipment used with  
9 a game, gaming device, gambling device, electronic gaming machine, electronic table  
10 game, which is manufactured, sold or distributed for use in the Third Senatorial District  
11 before the equipment or system is installed or used by a licensee or any other person as  
12 well as at any time while the licensee or any other person possesses, tests, validates, or uses  
13 the equipment, software, or system.

14           (c) The Commission shall conduct recurring inspections of the devices, machines  
15 and equipment and may determine, charge, and collect an inspection and/or test validation  
16 fee from each manufacturer, seller, distributor, casino gaming licensee, other licensee, or  
17 independent testing laboratory for the inspection and validation of any game, gaming  
18 device, gambling device, electronic gaming machine, electronic table game, or associated  
19 software or associated equipment subject to the Commission's authority.

20           § 2332. Contempt.

1           If any person in proceedings before the Commonwealth Casino Commission  
2   disobeys or resists any lawful order or refuses to respond to a subpoena, or refuses to take  
3   the oath or affirmation as a witness or thereafter refuses to be examined, or is guilty of  
4   misconduct during the hearing or so near the place thereof as to obstruct the proceeding,  
5   the Commission may certify the facts to the Commonwealth Superior Court where the  
6   proceedings are held. The court shall thereupon issue an order directing the person to  
7   appear before the court and show cause why the person should not be punished as for  
8   contempt. The court order and a copy of the statement of the Commission must be served  
9   on the person cited to appear. Thereafter, the court has jurisdiction of the matter, and the  
10  same proceedings must be had, the same penalties may be imposed and the person charged  
11  may purge himself or herself of the contempt in the same way as in the case of a person  
12  who has committed a contempt in the trial of a civil action before the superior court.

13           § 2333. Malfunctions.

14           (a) When wagering, gambling, gaming or in any way using any gambling machine,  
15  gaming machine, electronic gaming machine, or electronic table game, any malfunction of  
16  the machine (either hardware or software) voids all plays and pays.

17           (b) The Commonwealth Casino Commission may determine what constitutes a  
18  malfunction of a gambling machine, gaming machine, electronic gaming machine, or  
19  electronic table game hardware and software in the Third Senatorial District.

20           § 2334. Enforcement.



1           (a) The Division of Enforcement and Investigations, a division of the  
2 Commonwealth Casino Commission, and any other inspector, agent, or employee of the  
3 Commission appointed by the Executive Director shall have the primary responsibility and  
4 authority to enforce the provisions of the gambling and gaming laws of the Commonwealth  
5 and the regulations promulgated thereunder. This authority shall be concurrent with the  
6 authority of any other law enforcement agency as provided by law.

7           (b) Any agent, inspector or other person who is trained and authorized by the  
8 Executive Director of the Commonwealth Casino Commission to enforce the provisions  
9 of: the casino and gambling laws or gaming laws of the Commonwealth; and the  
10 regulations promulgated thereunder may:

11                   (1) Arrest any person, if there exists probable cause to believe that such  
12 person committed an act in violation of the casino, gambling or gaming laws and  
13 regulations of the Commonwealth;

14                   (2) Seize any evidence related to any violation of any provision of the  
15 casino, gaming, or gambling laws and regulations of the Commonwealth;

16                   (3) Execute any warrant or other process issued by a court of competent  
17 jurisdiction.

18           (c) If the Commonwealth Casino Commission enters into a mutual agreement with  
19 any other casino or gaming commission established by local law or referendum within the  
20 CNMI which provides for the rendering of assistance, any agent, inspector, or other person  
21 who is authorized by the Executive Director of the Commonwealth Casino Commission to

1 enforce the provisions of the casino, gaming, and gambling laws of the Commonwealth,  
2 and the regulations promulgated thereunder may assist the other local commission in the  
3 enforcement of the local laws and regulations promulgated thereunder both in the Third  
4 Senatorial District and the senatorial district in which the requesting commission is located.  
5 Such assistance is hereby declared to be within the scope of the Casino Commission agent's  
6 jurisdiction and duties as a law enforcement officer of the Commonwealth.

7 (d) If the Commonwealth Casino Commission enters into a mutual agreement with  
8 any other law enforcement agency which provides for the rendering of assistance, any  
9 agent who is authorized by the Executive Director of the Commonwealth Casino  
10 Commission to enforce the provisions of the casino, gaming, and gambling laws of the  
11 Commonwealth, and the regulations promulgated thereunder may assist the other law  
12 enforcement agency in the enforcement of the laws and regulations enforced by the other  
13 law enforcement agency in the other agency's jurisdiction within or without the Third  
14 Senatorial District. Such assistance is hereby declared to be within the scope of the Casino  
15 Commission agent's jurisdiction and duties as a law enforcement officer of the  
16 Commonwealth.

17 § 2335. Jurisdiction.

18 (a) The jurisdiction of the Commonwealth Casino Commission shall extend  
19 throughout the entirety of the Commonwealth of the Northern Mariana Islands as may be  
20 necessary to enforce the casino, gambling, and gaming laws of the Commonwealth  
21 including, but not limited to:

1           (1) all places within the CNMI which are casinos regulated by the  
2           Commonwealth Casino Commission;

3           (2) all persons or facilities in the CNMI which are required by law or  
4           regulation to be licensed by the Commonwealth Casino Commission;

5           (3) all places in the Third Senatorial District where casino gaming devices,  
6           casino gambling devices, or their software or constituent parts (whether licensed or  
7           unlicensed) are found.

8           (b) The jurisdiction of the Commonwealth Casino Commission shall extend outside  
9           the Third Senatorial District to any location within or without the Commonwealth where  
10          any: gambling device; gaming device; (or hardware or software component thereof); or any  
11          gambling or gaming accessory; which is to be shipped to the Third Senatorial District is  
12          found, or where any applicant for a license issued by the Commission is found.

13          2336. No Liability for Official Acts.

14          No member or employee of the Commonwealth Casino Commission may be sued  
15          for doing or omitting any official act in the performance of the powers and duties as  
16          prescribed in this chapter.

17                   **Article 3. Financial Instruments in Casino Gaming.**

18          § 2351. Definitions. As used in this Article, the term:

19          (a) “Casino credit instrument” means a gaming guarantee, marker, or any other  
20          writing which evidences a gaming debt owed to a person who holds a casino gaming license

1 in any senatorial district of the Commonwealth and includes any writing taken in  
2 consolidation, redemption or payment of a previous credit instrument.

3 (b) "Commission" means the casino gaming commission authorized to regulate a  
4 casino gaming licensee in each respective senatorial district of the Commonwealth.

5 (c) "Credit" means an arrangement or understanding with a person, firm,  
6 corporation, bank, or depository for the payment of a check or other written instrument  
7 evidencing a debt.

8 (d) "Gaming debt" means a debt, evidenced by a writing, which is incurred from  
9 gambling or participation in a lawful game or other lawful wagering activity offered by a  
10 casino licensee in a senatorial district of the Commonwealth. It also includes a debt,  
11 evidenced by a writing, which is owed to a junket operator licensed by the Commission,  
12 by a person who traveled to the Commonwealth as part of a junket for gambling or  
13 participation in a lawful game or other lawful wagering activity offered by a casino licensee  
14 in a senatorial district of the Commonwealth.

15 (e) "Gaming guarantee" means a promissory note or any other written promise  
16 accepted by a licensee as security for extending credit to an identified patron for gaming  
17 purposes in which the maker or signer unconditionally guarantees payment to the licensee  
18 of the full amount of the credit extended to and used by the identified patron. The term  
19 does not include a check as defined by 5 CMC § 3104. (f) "Licensee" or "Casino Licensee"  
20 means any person, corporation or other entity that holds a lawful casino gaming license in  
21 any senatorial district of the Commonwealth.

1 (g) “Marker” means a dated instrument bearing the following information: the name  
2 of the player; the name, location, and account number of the player’s bank; and the  
3 instruction “Pay to the Order of” the casino for a specific value in United States dollars or  
4 such other currency approved by the Commission. The marker also contains a stipulation  
5 whereby the maker represents that the amount drawn by the marker is on deposit in the  
6 referenced financial institution and that the maker guarantees payment.

7 (h) Unless provided otherwise in this Article or other statute, the definitions in 5  
8 CMC 10 §3102 shall apply with respect to financial documents or financial disputes  
9 involving or relating to a casino licensee in any senatorial district.

10 2352. Gaming Debt.

11 (a) Any gaming debt which is evidenced by a casino credit instrument is valid and  
12 enforceable in any administrative, civil, or criminal proceeding. Any gaming debt not  
13 evidenced by a casino credit instrument is void and unenforceable and does not give rise  
14 to any administrative, civil, or criminal enforcement unless provided otherwise herein or  
15 in 6 CMC § 1704.

16 (b) Any “marker” issued by a lawful casino licensee shall be the same as a check  
17 defined by 5 CMC § 3104, and all Commonwealth laws applicable to a check defined by  
18 5 CMC § 3104 are applicable to a “marker” which includes but is not limited to, the  
19 provisions of 7 CMC § 2442.

20 § 2353. Casino Credit Instruments.

1           The following shall apply to casino credit instruments: (a) A licensee or a person  
2 acting on behalf of a licensee:

3                   (1) may accept a casino credit instrument that is payable to an affiliated  
4 company or may complete a casino credit instrument in the name of an affiliated  
5 company as payee, only if the affiliated company is licensed by the Commission,  
6 the casino credit instrument otherwise complies with this subsection, and the  
7 records of the affiliated company are made available to agents of the Commission  
8 upon request.

9                   (2) may accept a casino credit instrument either before, at the time of, or  
10 after the patron incurs the debt. This subsection does not apply to a casino credit  
11 instrument made between a casino licensee (or its affiliates) and a commission-  
12 licensed junket operator.

13           (b) The casino credit instrument and the debt that the casino credit instrument  
14 represents are enforceable without regard to whether the casino credit instrument was  
15 accepted before, at the time of, or after the debt was incurred.

16           (c) This section does not prohibit the establishment of an account by deposit of  
17 cash, recognized traveler's check, or any other instrument which is equivalent to cash.

18           (d) If a casino credit instrument is lost or destroyed, the debt represented by the  
19 credit instrument may be enforced if the licensee or person acting on behalf of the licensee  
20 pursuant to a written authorization can prove the existence of the casino credit instrument.

21           (e) A patron's claim of having a mental or behavioral disorder involving gambling:

1                   (1) is not a defense in civil or administrative action based on or arising out  
2                   of a casino credit instrument or the debt that the casino credit instrument represents;  
3                   and

4                   (2) is not a valid counterclaim to any civil or administrative enforcement or  
5                   collection action.

6                   (f)(1) A casino licensee in any senatorial district or a person acting on behalf of  
7                   casino licensee may accept an incomplete casino credit instrument provided that it:

- 8                   (i) is signed by a patron;  
9                   (ii) states the credit limit being offered or that there is no credit limit;  
10                  (iii) states the interest rate and any fees to be incurred;  
11                  (iv) advises the patron that the principal debt amount will be filled in after  
12                  play is completed and the debt is incurred; and  
13                  (v) states that the patron will also be responsible for paying interest as it  
14                  accrues as well as collection fees listed.

15                  (2) Subsection (f) does not apply to a casino credit instrument made between  
16                  a casino licensee (or its affiliates) and a commission-licensed junket operator.

17                  (g) Casino credit instruments that leave open the final amount of the debt when  
18                  signed by the patron and that are then filled in by the licensee when play is complete are  
19                  enforceable. This subsection does not apply to a casino credit instrument made between a  
20                  casino licensee (or its affiliates) and a commission-licensed junket operator.

1           (h) The appropriate regulatory commission or agency in each senatorial district may  
2     adopt regulations prescribing the conditions under which a casino credit instrument may  
3     be redeemed or presented to a bank, credit union, or other financial institution for collection  
4     or payment.

5           (i) The failure of a licensee or any other person to comply with the provisions of  
6     this section or any applicable regulation promulgated by a governmental regulatory agency  
7     does not invalidate a casino credit instrument or affect the ability to enforce the casino  
8     credit instrument or the debt that the casino credit instrument represents.

9           § 2354. Applicability.

10          The provisions of this Article shall apply to any lawful casino licensee in any  
11     senatorial district.

12                   **Article 6. Internet, Online Gaming and Digital Currency.**

13          § 2590. Authorization. Internet Gaming and Online Gaming are hereby authorized  
14     in the Commonwealth, subject to licensing and regulation by the Commonwealth Casino  
15     Commission (“Commission”). Such gaming activities shall be conducted only by  
16     operators licensed under this chapter and in accordance with regulations issued by the  
17     Commission.

18          § 2591. Federal Law Compliance and Jurisdictional Scope.

19          (a) Internet and Online Gaming authorized under this Article shall be conducted on  
20     an intrastate basis within the Commonwealth, unless extended as provided in subsection  
21     (b).



1 (b) The Commission may, by regulation, authorize participation from other U.S.  
2 states, territories, or foreign jurisdictions, only pursuant to interstate or international  
3 compacts, agreements, or arrangements expressly permitted under U.S. federal law. Any  
4 foreign jurisdiction must not be subject to U.S. trade or financial restrictions and must be  
5 specifically approved by the Commission.

6 (c) All operations shall conform to the Unlawful Internet Gambling Enforcement  
7 Act (UIGEA), 31 U.S.C. §§ 5361–5367, the Wire Act, 18 U.S.C. § 1084, the Bank Secrecy  
8 Act, Anti-Money Laundering statutes, and the Office of Foreign Assets Control (OFAC)  
9 regulations, including prohibitions on transactions with sanctioned jurisdictions or persons.

10 (d) Sports wagering, if offered online, shall be confined strictly to persons  
11 physically present within the Commonwealth, or as otherwise permitted under federal law  
12 or compacts authorized under subsection (b).

13 § 2592. Consumer Protections. The Commission shall establish mandatory  
14 safeguards by regulation including:

15 (a) Geolocation technology to ensure patrons are physically located in authorized  
16 jurisdictions.

17 (b) Identity and age verification systems prohibit participation by individuals under  
18 21 years of age.

19 (c) Self-exclusion programs for problem and compulsive gamblers.

20 (d) Cybersecurity and data protection standards consistent with best practices in the  
21 gaming industry.

1           § 2593. Licensing and Technical Standards.

2           (a) No person or entity may conduct Internet or Online Gaming in the  
3 Commonwealth without a valid license issued by the Commission.

4           (b) The Commission shall require all gaming software, systems, and platforms to  
5 be independently tested and certified by a Commission-approved laboratory, including  
6 random number generators (RNGs).

7           (c) The Commission shall adopt technical standards for servers, encryption, system  
8 integrity, and transaction monitoring.

9           § 2594. Authorization of Digital Gaming Instruments.

10          (a) The Commission may approve the use of digital representations of U.S. dollars  
11 (“Stable Tokens”) for casino and Internet Gaming conducted under this Chapter.

12          (b) Stable Tokens must be fully backed 1:1 by U.S. dollar cash or short-term U.S.  
13 Treasury instruments, held in custody by FDIC-insured institutions or other custodians  
14 approved by the Commission.

15          § 2595. Redemption and Consumer Protections.

16          (a) Stable Tokens shall be redeemable at par (\$1 token = \$1 USD) within two (2)  
17 business days of request by a holder.

18          (b) The issuer shall publish monthly attestation reports by an independent CPA and  
19 an annual audit verifying reserves equal or exceeding tokens outstanding.

20          (c) In-person cash redemption in the CNMI must always remain available to token  
21 holders.

1           § 2596. Oversight and Governance.

2           (a) The Commission shall license and regulate all issuers or operators of Stable  
3 Tokens used in connection with casinos or Internet Gaming.

4           (b) The Commission shall set technical, transaction, wallet, and reporting standards  
5 to ensure security, transparency, and consumer protection.

6           (c) Stable Tokens shall not be used to circumvent federal prohibitions on unlawful  
7 Internet Gaming.

8           § 2597. Use in Internet and Online Gaming.

9           (a) A casino licensee may, with Commission approval, accept Stable Tokens for  
10 remote internet wagers and settlement of online gaming accounts.

11          (b) The Commission shall promulgate regulations governing technical standards,  
12 cybersecurity protocols, and reporting requirements for such use.

13          § 2598. Limitations.

14          (a) Only the Commission, or licensees expressly authorized by it, may issue or  
15 utilize Stable Tokens under this Chapter.

16          (b) Stable Tokens may not be backed by cryptocurrencies, equities, derivatives, or  
17 other speculative assets.

18          § 2599. Internet Gaming Regulatory Fee.

19          (a) Each casino licensee approved by the Commonwealth Casino Commission to  
20 conduct Internet or Online Gaming shall pay an annual Internet Gaming Regulatory Fee of  
21 one hundred thousand dollars (\$100,000).

1 (b) The Internet Gaming Regulatory Fee shall be imposed in addition to all other  
2 application fees, license fees, and regulatory fees required under this chapter.

3 (c) All Internet Gaming Regulatory Fees collected under this section shall be  
4 deposited into the Commonwealth Casino Commission Regulatory Fee Fund (CCCRF)  
5 established under § 2309 and earmarked for the exclusive purpose of regulating,  
6 monitoring, and ensuring compliance with applicable Commonwealth and federal laws  
7 governing Internet and Online Gaming.

8 (d) The Commission shall adopt regulations to implement and enforce this section,  
9 including reporting, auditing, and compliance requirements to ensure licensees meet all  
10 federal and Commonwealth obligations related to Internet Gaming operations.

11 § 2600. Taxation.

12 (a) Internet and Online Gross Gaming Revenue shall be treated as Casino Gross  
13 Gaming Tax (CGGT) under § 2308 of this Chapter and taxed accordingly at rates set by  
14 law or Commission regulation. This provision shall not duplicate or alter § 2308 but shall  
15 incorporate Internet Gaming revenues into the existing tax framework.

16 § 2601. Enforcement. The Commission shall have full enforcement authority over  
17 Internet, Online Gaming and Digital Currency under this Article, including sanctions and  
18 rulemaking. Detailed operational standards shall be promulgated by regulation.

19 **Section 3. Severability.** If any provisions of this Act or the application of any such  
20 provision to any person or circumstance should be held invalid by a court of competent

1 jurisdiction, the remainder of this Act or the application of its provisions to persons or  
2 circumstances other than those to which it is held invalid shall not be affected thereby.

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

10       To the extent of any conflict between the provisions of this Act and any other law  
11 of the Commonwealth, the provisions of this Act shall govern with respect to the  
12 regulation, licensing, taxation, and oversight of casino gaming, including Internet Gaming  
13 and Digital Payment operations.

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

Prefiled: \_\_\_\_\_

Date: \_\_\_\_\_ Introduced by: \_\_\_\_\_  
Rep.

Reviewed for Legal Sufficiency by:

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House Legal Counsel

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