



THE SENATE
Nineteenth Northern Marianas Commonwealth Legislature
P. O. Box 500129
Saipan, MP 96950

SEN. COMM. 19-164
(HOUSE)

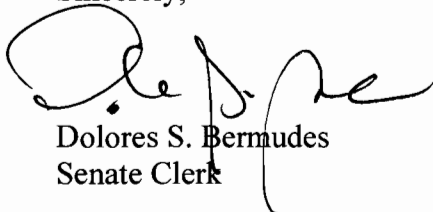
June 21, 2016

Honorable Rafael S. Demapan
Speaker
House of Representatives
19th Northern Marianas Commonwealth Legislature
Saipan, MP 96950

Dear Speaker Demapan:

I have the honor to transmit for House action S.B. No. 19-75, SD1, entitled, "To amend 4 CMC § 1503 to authorize the third senatorial district to establish additional fees for electronic gaming machines licensed pursuant to Public Law 18-30; and for other purposes." The Senate passed on First and Final Reading S.B. No. 19-75, SD1, by the unanimous vote, a quorum being present in its 1st Day, Sixth Special Session on June 21, 2016.

Sincerely,



Dolores S. Bermudes
Senate Clerk

Attachment

Transmitted to HOUSE:

Received by: 

Date: 06/21/16 Time: 10:33 am

NINETEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

SECOND REGULAR SESSION, 2015

S. B. NO. 19-75, SD1

A BILL FOR AN ACT

To amend 4 CMC § 1503 to authorize the third senatorial district to establish additional fees for electronic gaming machines licensed pursuant to Public Law 18-30; and for other purposes.

BE IT ENACTED BY THE NINETEENTH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:

1 **Section 1. Findings and Purpose.** The Legislature finds that the Settlement
2 Fund only pays 75% of the retirees' pension and the CNMI government pays the
3 remaining 25% of the pension. The remaining 25% of the retirees' pensions are
4 earmarked as a separate contribution to the Settlement Fund pursuant to Public Laws 18-
5 30 and 18-56. However, it appears that the earmarked funds are not enough to cover the
6 entire remaining 25% for Third Senatorial District or Saipan retirees. The First and
7 Second Senatorial District retirees are covered by each district's \$2 million allocation
8 each year from the casino annual license fee.

9 The Legislature finds that additional funds must be generated in order to satisfy
10 the CNMI government's 25% contribution to the pensions of Saipan retirees. Public Law
11 18-30 allocates part of the revenue generated from the electronic machines license fees to
12 the Northern Mariana Islands (NMI) Retirement Fund; however, the allocation is
13 insufficient to satisfy the 25% government contribution. Accordingly, the Legislature
14 finds that it is necessary to establish a local license fee for the electronic machines
15 licensed under Public Law 18-30 to cover the shortfall of the CNMI government's 25%
16 retirement contribution of Saipan retirees' pensions. The funds generated pursuant to the
17 local license shall first be earmarked to the NMI Retirement Fund to satisfy the CNMI
18 government's 25% retirement contribution of the pensions of the retirees. Funds

1 generated in excess of the 25% retirement contribution shall be available for
2 appropriation by the SNILD for any public purpose. The purpose of this legislation is to
3 authorize the Third Senatorial District to establish additional fees for electronic machines
4 licensed under Public Law 18-30 which shall be first earmarked to the NMI Retirement
5 Fund for the payment of the twenty-five percent deferment of Third Senatorial District
6 retirees' pensions ~~from the Settlement Fund~~. Any funds in excess of the 25% retirement
7 contribution shall be available for appropriation.

8 **Section 2. Amendment.** 4 CMC § 1503 is hereby amended by adding a new
9 subsection (h) and re-designating the remaining sections to read as follows:

10 “(h) Notwithstanding any provision of law to the contrary, the Third Senatorial
11 District may, by local law pursuant to 1 CMC § 1402(c)(5), establish additional license
12 fees for ~~poker amusement machines~~, electronic gaming machines, or electronic tables
13 games as defined in 6 CMC § 3154(a)(3) ~~and~~ (4) and licensed under subsection (a)(6) of
14 this section. Any additional fees shall be available for local appropriation under Chapter 4
15 of Division 1 of Title 1 of the Commonwealth Code; provided that the additional fees
16 shall be first earmarked to the Northern Mariana Islands Retirement Fund for the
17 payment of the twenty-five percent deferment of Third Senatorial District retirees’
18 pensions ~~from the Retirement Fund~~. Any funds in excess of the twenty-five percent
19 retirement contribution shall be available for appropriation for any public purpose.”

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

25 **Section 4. Savings Clause.** This Act and any repealer contained herein shall not
26 be construed as affecting any existing right acquired under contract or acquired under
27 statutes repealed or under any rule, regulation or order adopted under the statutes.
28 Repealers contained in this Act shall not affect any proceeding instituted under or

1 pursuant to prior law. The enactment of this Act shall not have the effect of terminating,
2 or in any way modifying, any liability civil or criminal, which shall already be in
3 existence at the date this Act becomes effective.

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

Date: December 16, 2015

Introduced By: /s/
 Sen. Justo S. Quitugua


Reviewed for Legal Sufficiency by:

/s/ Antonette R. Villagomez
Senate Legal Counsel



The Senate
19th NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500129
SAIPAN, MP 96950

STANDING COMMITTEE REPORT NO. 19-**86**
April 7, 2016
RE: S.B. 19-75

S. Adopted 6/21/16 

Honorable Francisco M. Borja
President of the Senate
Nineteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Re: S.B. 19-75

Dear Mr. President:

Your Committee on Fiscal Affairs to which Senate Bill No. 19-75, entitled:

“To amend 4 CMC § 1503 to authorize the third senatorial district to establish additional fees for electronic gaming machines licensed pursuant to Public law 18-30; and for other purposes.”

was referred, begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion, your Committee recommends that Senate Bill 19-75 be passed as S.B. 19-75, SD1.

II. PURPOSE:

The purpose of the bill is allow the Third Senatorial District to impose an additional fee on electronic gaming and electronic table games licensed under 4 CMC § 1503(a)(6) in order to first fund the twenty-five percent deferment of the Third Senatorial District retirees’ pensions, and any excess funds may be appropriated for other public purposes.

III. COMMITTEE FINDINGS AND RECOMMENDED CHANGES:

The proposed amendment provides that:

“(h) Notwithstanding any provision of law to the contrary, the Third Senatorial District may, pursuant to 1 CMC § 1402(c)(5), establish additional license fees for poker amusement machines, electronic gaming machines or electronic tables games as defined in 6 CMC § 3154(a)(3) and (4) licensed under subsection (a)(6) of this section. Any additional fees shall be available for local appropriation under Chapter 4 of Division 1 of

Title 1 of the Commonwealth Code; provided that the additional fees shall be first earmarked to the Northern Mariana Islands Retirement Fund for the payment of the twenty-five percent deferment of Third Senatorial District retirees' pensions from the Retirement Fund. Any funds in excess of the twenty-five percent retirement contribution shall be available for appropriation for any public purpose."

The Committee agreed to delete the phrase "fees for poker amusement machines" because it is covered in 4 CMC § 1503(e)¹, and § 1503(a)(5)² also refers to poker machines. Removing the poker-fees provision makes the amendment specific to electronic gaming and electronic table games.

The Committee also agreed to delete "(a)(3)" and should read "in 6 CMC § 3154(a)(4) and licensed under subsection 4 CMC § 1503(a)(6) of this section." Six CMC 3154(a)(3) defines "gambling device" as "Poker amusement machines requiring an element of skill are not gambling devices."

Six CMC § 3154(a)(4) and 4 CMC § 1503(a)(6) refers specifically to electronic gaming machines and electronic table games, but § 3154(a)(3) refers to poker machines.

In order to make the proposed amendment clearly apply only to electronic gaming and electronic table games, the poker-machine provisions are deleted because they are covered under existing statutory provisions. Moreover, certain words are deleted and other words are substituted in order to enhance clarity. Accordingly, the Committee agrees that the proposed amendment should read:

"(h) Notwithstanding any provision of law to the contrary, the Third Senatorial District may, by local law pursuant to 1 CMC § 1402(c)(5), establish additional license fees for ~~poker amusement machines~~, electronic gaming machines or electronic tables games as defined in 6 CMC § 3154(a)(3) ~~and~~ (4) and licensed under subsection (a)(6) of this section. Any additional fees shall be available for local appropriation under Chapter 4 of Division 1 of Title 1 of the Commonwealth Code; provided that the additional fees shall be first earmarked to the Northern Mariana Islands Retirement Fund for the payment of the twenty-five percent deferment of Third Senatorial District retirees' pensions ~~from the Retirement Fund~~. Any funds in excess of the twenty-five percent retirement contribution shall be available for appropriation for any public purpose."

¹ Each Senatorial district may, pursuant to 1 CMC § 1402(c)(5), establish additional license fees for poker machines licensed under subsection (a)(2) of this section and pachinko slot machines licensed under subsection (a)(5) of this section. Any additional fees shall be available for local appropriation under Chapter 4 of Division 1 of Title 4 of the Commonwealth Code.

² For pachinko slot machines or similar amusement machines, the annual fee shall be six-thousand dollars per machine.

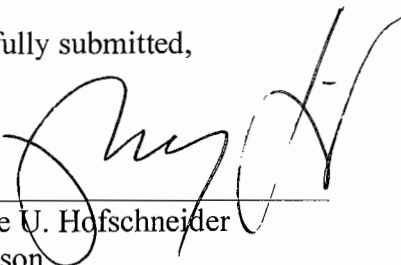
IV. LEGISLATIVE HISTORY:

Senate Bill 19-75 was introduced by Senator Justo S. Quitugua on December 16, 2015, and was referred to the Senate Standing Committee on Fiscal Affairs for disposition.

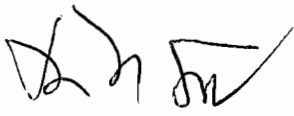
V. CONCLUSION.

Based on the foregoing, the Committee requests that the full Senate pass Senate Bill 19-75 with amendments as Senate Bill 19-75, SD1.

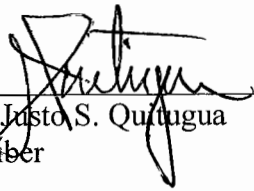
Respectfully submitted,



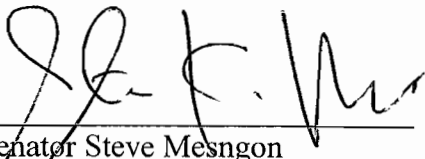
Sen. Jude U. Hofschneider
Chairperson



Sen. Teresita A. Santos
Vice-Chairperson




Sen. Justo S. Quitugua
Member




Senator Steve Mesngon
Member



Senator Sixto Igisomar
Member



Sen. Arnold I. Palacios
Member



Senator Francisco Cruz
Member

Reviewed by:



Senate Legal Counsel