

Edward Manibusan (F0131)
Attorney General
J. Robert Glass, Jr. (F0523)
Chief Solicitor
Office of the Attorney General
Hon. Juan A. Sablan Mem. Bldg., 2nd Floor
Saipan, MP 96950-8907
Tel: (670) 237-7500
Fax: (670) 664-2349
Email: robby_glass@cnmioag.org

*Attorney for Creditor, The Commonwealth of the
Northern Mariana Islands & Agencies*

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN MARIANA ISLANDS
BANKRUPTCY DIVISION**

In re
**IMPERIAL PACIFIC INTERNATIONAL
(CNMI), LLC**

**Debtor and
Debtor-in-possession**

**CASE NO. 24-00002
(Chapter 11)**

**OPPOSITION TO JOINT CHAPTER 11
PLAN OF LIQUIDATION DATED
OCTOBER 31, 2025 BY DEBTOR AND
OFFICIAL COMMITTEE OF GENERAL
UNSECURED CREDITORS**

Creditor, the Commonwealth of the Northern Mariana Islands and its creditor agencies (the “Commonwealth”) by and through its undersigned counsel, Chief Solicitor J. Robert Glass, Jr., hereby submits its Opposition to Joint Chapter 11 Plan of Liquidation Dated October 31, 2025 by Debtor and Committee of General Unsecured Creditors (ECF 489). The Commonwealth files its objection to the plan to the extent that it does not reject the casino license as an executory contract pursuant to section 365 of the Bankruptcy Code.

I. FACTUAL AND PROCEDURAL BACKGROUND

Debtor filed its Chapter 11 Petition in this action on April 19, 2024. (ECF 1.)

Through various proceedings and hearings, the parties have finally reached the stage of Debtor filing its liquidation plan. Part of the negotiations in approving the sale was that the winning bidder would be provided a nine-month window to negotiate a cure and assume the



license. Team King (CNMI), LLC (“Team King”), the winning bidder, has expressly rejected any assumption, cure, or negotiation of the casino license. *See* Attached Exhibit A. As such, the Court should find the casino license as an executory contract has been rejected and should order it be returned to the lottery commission in compliance with CNMI law.

II. LEGAL STANDARDS

11 U.S.C. 365(d)(2) provides:

In a case under chapter 9, 11, 12, or 13, of this title, the trustee may assume or reject an executory contract or unexpired lease of residential real property or of personal property of the debtor at any time before the confirmation of a plan but the court, on the request of any party to such contract or lease, may order the trustee to determine within a specified period of time whether to assume or reject such contract or lease.

III. ARGUMENT

The Casino License is an executory contract between Debtor and the Commonwealth of the Northern Mariana Islands. As part of the sale proceeding and in withdrawing its objections to the sale motion, the parties agreed that the winning bidder, Team King, would be provided nine months to exercise an exclusive option to acquire the casino license. *See* Plan at 30.

On September 15, 2025, Team King sent a letter to the Commonwealth Governor and Lt. Governor regarding their plan for acquiring the casino license. *See* Exhibit A. Specifically, the letter states: “Team King wishes to inform you that it will waive and surrender Team King’s option to acquire IPI’s exclusive license.” *Id.* Pursuant to the letter, the Option will not be exercised and therefore the contract should be rejected as part of the plan.

In response to this letter, The Governor and Lt. Governor sent a letter to the Commonwealth Legislature requesting to amend the casino law, Public Law 18-56, which would provide for a “grandfathered conversion license” to Team King. *See* Exhibit B at 62-64 (bill page 47-49). Such a work around would provide a license for Team King, while insulating Team King from paying the \$2 million payment to Debtor as outlined in the sale agreement and without having to cure any past due obligations. Thus, even if the casino contract is rejected, if the proposed law is passed, Team King would be granted a “grandfathered conversion license” which should subject them to the \$2 million payment as such a process undermines the

1 agreements and objections made and resolved by this Court and would be a work around of the
2 Sale Order of this Court.

3 **IV. CONCLUSION**

4 For the foregoing reasons, the Court should require the casino license contract to be
5 rejected and provide that if Team King acquires the casino license through a “grandfathered
6 conversion license” it should still be subject to the \$2 million agreed payment to the Debtor as
7 outlined in the Sale Order.

8
9 Respectfully submitted: December 8, 2025

10 OFFICE OF THE ATTORNEY GENERAL
11 EDWARD MANIBUSAN
ATTORNEY GENERAL

12 /s/ J. Robert Glass, Jr.
13 J. ROBERT GLASS, JR. (F0523)
14 Chief Solicitor

15 **CERTIFICATE OF SERVICE**

16 I hereby certify that the above and foregoing was electronically filed on December 8,
17 2025, with service requested to all parties of record.

18 /s/ J. Robert Glass, Jr.
19 J. ROBERT GLASS, JR. (F0523)
20 Chief Solicitor
21
22
23
24
25
26
27
28

Team King Investment (CNMI), LLC.

KANEKO HIROSHI

[REDACTED]

[REDACTED]

September 15, 2025

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

The Honorable Dennis James C. Mendiola
Lieutenant Governor of the Commonwealth of the Northern Mariana Islands
Caller Box 10007
Saipan, MP 96950

Re: Request for Stipulated Agreement Regarding Casino License and Future Investment

Dear Governor Apatang and Lieutenant Governor Mendiola,

As you are aware, Team King successfully acquired substantially all of IPI's assets through the Bankruptcy Court auction process. The Asset Purchase Agreement provided an option for Team King to acquire IPI's exclusive casino license for an additional \$2.5 million. However, Team King has determined that it cannot, under the current provisions of Public Law 18-56, assume this license due to IPI's associated debts, unpaid regulatory fees, and investment obligations.

As such, Team King wishes to inform you that it will waive and surrender Team King's option to acquire IPI's exclusive license. This clarifies that Team King is not entitled to the exclusivity of the casino license. In addition, Team King shall not be responsible for IPI's outstanding debts, including unpaid license fees and regulatory fees.

Should Public Law 18-56 be amended to create a more practical and sustainable framework, Team King will certainly reconsider its position and apply for a casino license.

September 15, 2025

Team King Letter to Governor and Lieutenant Governor

To further show Team King's intentions to invigorate the CNMI's tourism economy, Team King shall establish a foundation for collaboration with the Commonwealth to ensure that the Saipan casino and resort facilities are renovated, revitalized, and operated in a manner that creates local employment, generates revenues, and enhances the tourism economy.

Team King is committed to working transparently and collaboratively with the CNMI Government to restore confidence in the gaming and tourism sector.

We respectfully request your consideration and look forward to the opportunity to meet with your offices to discuss this matter. Our goal is to move forward responsibly with the renovation and reopening of the resort facility, thereby contributing to the Commonwealth's economic recovery and long-term development.

Thank you for your leadership and for the opportunity to partner with the CNMI in this important endeavor.

Respectfully,

A handwritten signature in dark ink, appearing to read "Hiroshi Kaneko". The signature is fluid and cursive, with the first name "Hiroshi" written in a larger, more prominent script than the last name "Kaneko".

HIROSHI KANEKO

Authorized Representative

Team King Investment (CNMI), LLC

Exhibit BGOV. COMM. 24-71
(HOUSE)

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

RECEIVED BY *[Signature]*
DATE 10/28/2025
TIME 4:36p



[Signature] 10/24/25

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)

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

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.

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

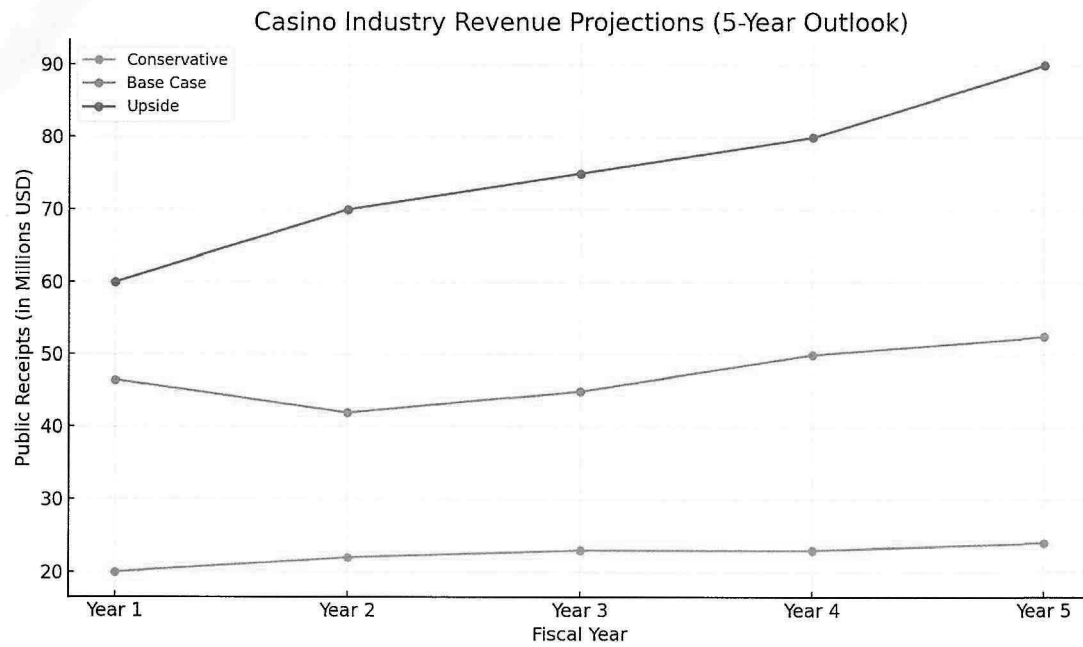
Market Context: Asia Gaming Industry

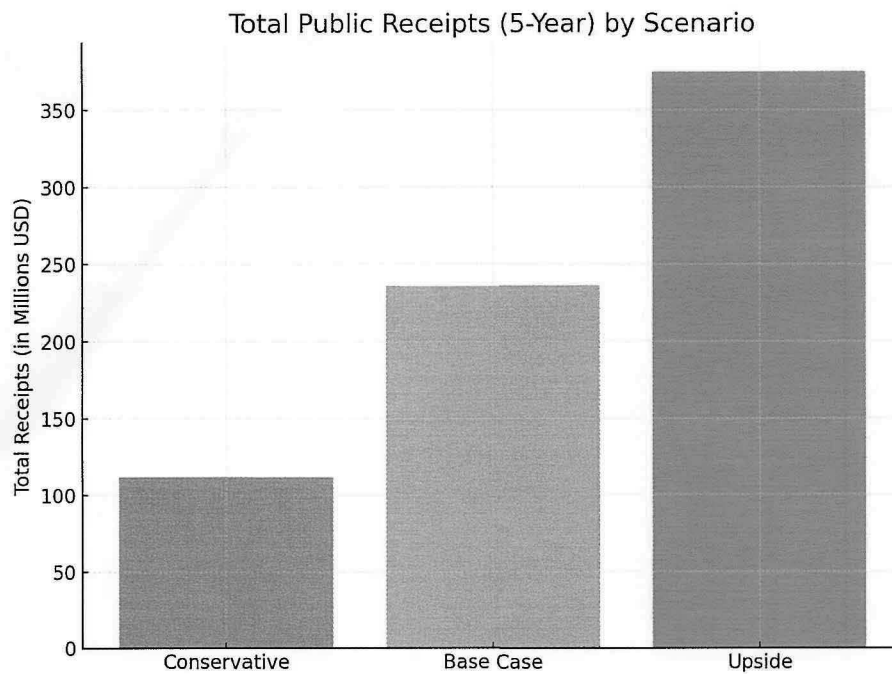
Macau, the Philippines, and Singapore demonstrate strong demand for integrated resort casinos. Macau exceeded \$22B in gaming revenues in 2024, the Philippines generated ~\$4B in 2023, and Singapore consistently produces \$5–6B annually with only two licensees. These benchmarks show that CNMI, even on 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 (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 (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 (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

10

REGULATORY FEES

Original Law (PL 18-56)	Draft Amendment (HB 24-xx)	Key Justification	Reference
\$3.15M Flat Regulatory fee tied to IPI.	\$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

11

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

12

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

13

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 IPI assets; prevents monopoly renewal.	§ 2317(h)

14

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

15

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

 16

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)

 17

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.

 18

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.

 19

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

21

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)

22

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

23

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

24

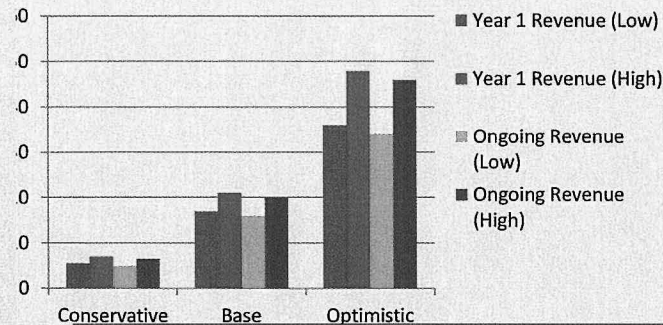
BOTTOM LINE

- 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

25

REVENUE SCENARIOS – YEAR 1 VS. ONGOING

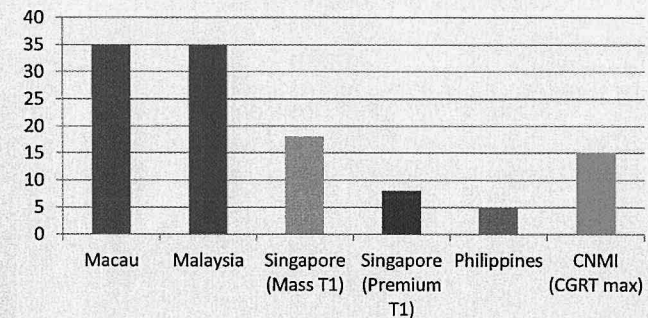
Government Revenue Projections (\$M)



27

HEADLINE CASINO TAX RATES – ASIA VS CNMI

Topline Casino Gaming Tax Benchmarks



28

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.

29

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.”

29

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

HOUSE BILL 24- _____

will reactivate hotels, unlock construction projects, and create local jobs, while promoting transparency and accountability.

- (c) The Legislature recognizes that the decline of tourism airlift and visitor arrivals since the pandemic has undermined the assumptions of the prior exclusive model. Diversifying operators and projects will support a broader tourism recovery by re-opening hotel inventory, generating demand for new air routes, and aligning with global travel trends. Modernization is also required: advancements in Internet gaming and digital payment technologies, including stablecoins and municipal tokens, call for updated regulatory authority at the Commonwealth level to ensure consumer protection and compliance with federal law.
- (d) The Legislature further finds that gaming revenues must be tied directly to a compelling public purpose. Retirees currently receive seventy-five percent (75%) of their pensions from the Settlement Fund, with at least \$12.5 million needed annually to cover the remaining twenty-five percent (25%) obligation. By establishing a performance-based Casino Gross Revenue Tax (CGRT), this Act ensures a reliable stream of revenue prioritized for retirees, while protecting the General Fund for essential government services.
- (e) Finally, the Legislature affirms that a revitalized industry depends on credible and independent regulation. Nothing in this Act diminishes the powers of the Commonwealth Casino Commission (Commission). Instead, this Act

HOUSE BILL 24- _____

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

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

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

Article 1. Gaming Provisions.

§ 2301. Exclusion from Gambling Prohibition.

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

§ 2302. Central Government Taxation.

HOUSE BILL 24- _____

(a) The taxes imposed by 4 CMC § 1505, 4 CMC § 1503, Amusement Machines, 4 CMC § 1504, Limitation on Number of Poker Machine License Issued, and 4 CMC § 1506 Criminal Penalty, and 4 CMC § 1507, Regulations, shall not apply to a licensed casino.

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

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

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

(2) The Investment Incentive Act of 2000 (Public Law 12-32), as amended and re-codified at 4 CMC §§ 50201 *et seq.*, applies to any business engaged in casino gaming activities conducted within its hotel-casino premises located in the

HOUSE BILL 24- _____

senatorial districts of Tinian or Rota, and any such casino may be eligible for a qualifying certificate except for taxes applicable to casino gaming revenues.

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

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

§ 2303. Central Government Fees and Licenses.

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

§ 2304. Criminal Penalties.

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

HOUSE BILL 24- _____

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

§ 2305. Administrative Procedure.

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

§ 2306. Fees and Initial Investment.

(a) Application Fees. An applicant for a casino license under this chapter shall pay a one-time nonrefundable application fee of five hundred thousand dollars (\$500,000) per location. The applicant must submit an application to the Commonwealth Casino Commission and on the same day deposit the five hundred thousand dollars (\$500,000) fee with the Commission in the Commonwealth Casino Applicant Fund (CCAF). The application fee shall be deemed to include all costs reasonably incurred by the Commission in connection with the review, investigation, and vetting of the applicant and any associated persons, including but not limited to background checks, financial

HOUSE BILL 24- _____

suitability analyses, and other due diligence activities necessary to determine licensure eligibility.

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

(1) Payment of ~~\$240~~,000,000 shall be paid upon the receipt of the casino license to cover the first and second year.

(i) To be eligible for the casino license, the ~~\$240~~,000,000 required for the first and second year fees shall be deposited in a third-party independent escrow account, to be selected by the Secretary of Finance. Documentation evidencing such deposit shall be submitted to the Commonwealth Casino Commission with the applicant's business plan. The funds and any interest shall be released from escrow to the Commonwealth Treasurer upon the issuance of the casino license to the applicant depositing the funds. If a casino license is not issued to the applicant depositing the funds, the funds minus the non-refundable application fee and any interest shall be released to such applicant upon the denial of the application.

(2) The annual license fee of ~~\$15~~,000,000 shall be paid when the fees for the third through fifth year are due; and

(3) The annual license fee of ~~\$15~~,000,000 plus the adjusted amount, in accordance with the Consumer Price Index (CPI) described in section 4 herein shall be paid when the fees for the sixth year are due; and ~~\$15~~,000,000 plus the

HOUSE BILL 24- _____

adjusted amount in accordance with the CPI described in section 4 herein for each year thereafter for every 5 year cycle.-

(4) The annual license fee shall be adjusted every five years based on the cumulative change in the Consumer Price Index developed by the Commonwealth Department of Commerce for Saipan for the previous five years. The license fee shall not be reduced below \$15,000,000.

~~I-(c)~~ An applicant must satisfy the payment requirements under subsections (a) and (b) of this section to be eligible for a license under this chapter. An applicant who fails to deposit the \$500,000 application fee and the \$2,000,000~~10~~ Casino License Fee, as required, shall be automatically rejected.

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

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

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

HOUSE BILL 24- _____

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

(e) Casino License.

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

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

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

HOUSE BILL 24- _____

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

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

(1) In the event of an assignment or transfer of a casino license, the prospective licensee shall, upon approval by the Commonwealth Casino Commission, pay the non-refundable application fee, the one-time license fee, and the regulatory fee as required under the law in effect prior to the enactment of this Act. Thereafter, all annual license fees and regulatory fees shall be paid in accordance with the provisions of this Act and its amendments. The Commonwealth Casino Commission shall execute a new Casino License Agreement, or amend the existing Casino License Agreement, to incorporate the revised terms, conditions, and requirements established under this Act. _

§ 2307. Disposition of Revenues.

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

(b) All non-refundable application fees shall be deposited in the Casino Commission Application Fee (CCAF) Special Fund. Monies in the CCAF Special Fund

HOUSE BILL 24- _____

shall be expended by the Commonwealth Casino Commission for the investigation of license applicants pursuant to 4 CMC § 2318, and for all reasonable costs associated with the review, granting, or denial of a casino license application. The Chairman of the Commonwealth Casino Commission shall serve as the expenditure authority for the CCAF Special Fund.

Any unexpended balance in the CCAF Special Fund, after the issuance of a license and payment of all obligations and encumbrances related to application review—including investigative, travel, and meeting costs, etc. shall be transferred to the Commonwealth Casino Commission Regulatory Fee Fund (CCCRF).

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

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

(a) The funds deposited into the CGRT Account after the beginning of each calendar year shall be earmarked and available for appropriation by the Legislature to cover or supplement the payment of 25% of class members' full benefits and any bonus

HOUSE BILL 24- _____

to be distributed equally and cost of living allowance (COLA) to all Settlement Class Members and CNMI Fund members receiving annuity.

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

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

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

HOUSE BILL 24- _____

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

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

(e) The Commonwealth Casino Commission shall by regulation define “Casino Gross Revenue Tax” (CGRT) consistent with generally accepted gaming industry principles within the applicable tax laws in the Commonwealth; provided that CGRT shall, at a minimum, mean the total amount wagered on gaming activities less winnings paid out to patrons, excluding non-cashable promotional credits and adjustments allowed by regulation.

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

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

The CGRT imposed under this section is in lieu of the Business Gross Revenue Tax (BGRT) with respect to gaming revenues subject to CGRT. All non-gaming revenue

HOUSE BILL 24- _____

streams of a casino licensee, including but not limited to lodging, food and beverage, retail, entertainment, parking, and other amenities, remain subject to the BGRT and the Hotel Occupancy Tax, as applicable under law.

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

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

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

§ 2309. Commonwealth Casino Commission Regulatory Fee Fund.

(a) Casino Regulatory Fee. There is an established Casino Regulatory Fee, which is an annual fee due on or before October 1st of each year per licensee per location beginning October 1, 2026, or whenever paid. The Casino Regulatory Fee is the fee payable by each casino licensee per licensed location to the Commission and will cover costs, including but not limited to, those associated with the licensing, testing

HOUSE BILL 24- _____

certification, auditing and approval of all casino slots and other gaming machines, casino table games and all other casino gaming activities conducted by the casino licensee at the licensed casino and regulated by the Commission as well as the costs of all applications, including their review, renewal and all related investigations, for licensing or permit or consent for casino employee licensees, casino key employee licenses. The Casino Regulatory Fee is due regardless of actual costs incurred by the Commission.

(b) Calculation of Casino Regulatory Fee: The Casino Regulatory Fee per license per location will be a flat fee at a fixed rate of \$1,000,000 annually with a five percent increase every five years for the following twenty years. After the twentieth year, the maximum Casino Regulatory Fee per each licensee per each location will be reached and maintained for the remaining duration until the end of the casino license term, including all extensions of the casino license.

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

(d) The Commonwealth Casino Commission shall establish and maintain a Commonwealth Casino Commission Regulatory Fee Fund (CCCRF Fund) to be kept separate and apart from the general funds of the Commonwealth government. The non-refundable application fees, investigative fees, Casino Regulatory Fees, and renewal fees for casino employee licenses, casino key employee licenses, casino service provider licenses, casino vendor licenses, casino junket operator licenses, machine and table

HOUSE BILL 24- _____

licenses, casino-related application fees, renewal fees, or casino-gaming related regulatory fees of any kind established by and charged by the Commission shall be deposited into the CCCRF Fund. Regulatory fines or penalties imposed by the Commission shall be deposited into the CCCRF Fund. Any money or property received by the Commission from any other government or governmental agency or entity of any kind whatsoever, except for monies appropriated to the Commission by Commonwealth law shall be deposited into the CCCRF Fund. The CCCRF Fund shall be subject to annual appropriation beginning fiscal year 2026 or thereafter. The Secretary of Finance shall transfer any balance in or owed to its CCCRF Fund existing on the effective date of this Act to the CCCRF Fund established by the Commonwealth Casino Commission. The CCCRF shall be expended by the Commonwealth Casino Commission for the operation, personnel, and all other expenses of the Commission including but not limited to the investigation and licensing of key employees, employees, service providers, vendors, junket applicants, machines, gaming tables, and any other fees and costs associated with reviewing the applications for various licenses. The expenditure authority for the Commission shall be the Chairperson of the Commonwealth Casino Commission or his designee. The CCCRF Funds are earmarked for the Commission's use in regulating the casino licensee and the casino industry and are subject to further appropriation in the annual appropriations and are available without fiscal year limitation. The Commission shall maintain records and account for the expenditures made from both the Commonwealth Casino Applicant Fund (for future license application fees) and the

HOUSE BILL 24- _____

CCCRF Fund and submit reports to the Governor and the presiding officers of the Legislature.

(e) Notwithstanding 4 CMC §§ 2309(f) and 2314(l), all Casino Regulatory Fees collected pursuant to this Act, including but not limited to the one million dollars (\$1,000,000) annual regulatory fee per new casino license and any regulatory fees imposed upon the existing licensee of three million one hundred fifty thousand dollars (\$3,150,000), are hereby appropriated to the Commonwealth Casino Commission for its personnel, operations, and regulatory expenditures for FY 2026. The expenditure authority shall be the Chairperson of the Commission or his or her designee. Such appropriations shall remain available without fiscal year limitation and shall not require further legislative action. Subsequent Casino Regulatory Fee payments shall be subject to appropriation as provided in 4 CMC § 2314(l). The Commission is authorized to hire or fill the necessary full-time employee positions subject to availability of funds. Thereafter, as an autonomous agency, the Commission shall determine its staffing levels for full-time, part-time, seasonal, and temporary employees depending on the increases in the number of licensees for each of their licensed locations. The Commission may increase the number of staffing provide that the number of licensed locations increase to effectively carry out the regulatory mandates set by the Commission. The CCCRF Fund shall be subject to legislative appropriation, and expenditures shall comply with the oversight and reporting requirements established under Public Law 21-38.

HOUSE BILL 24- _____

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

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

Article 2. Casino Controls.

§ 2311. Purpose of Article.

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

§ 2312. Definitions.

As used in this chapter, the term:

(a) “Casino” means a place, area, structure, vessel, communication channel, or other thing, tangible or intangible, subject to licensing pursuant to this chapter for the conduct and playing of one or more games, or the acceptance of bets and wagers, including all associated activities of gaming and wagering, such as money counting, surveillance, accounting, and storage, related to such conduct and playing, provided, that such term shall not include areas of a resort complex or other facility exclusively devoted

HOUSE BILL 24- _____

to other activities, such as a hotel, golf course, etc., in which no game is conducted or played and no wagering occurs;

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

- (1) Table games personnel who attend to or conduct gaming activities, including dealers, floor people, pit managers and shift managers.
- (2) Cage and count room personnel who support gaming activities within the casino, including cashiers, supervisors and shift managers.
- (3) Security personnel who work within the casino gaming areas, including guards, supervisors and shift managers.
- (4) Surveillance personnel who work within the casino gaming areas, including operators, supervisors and shift managers.
- (5) Marketing personnel who attend to or support gaming activities within the casino gaming areas, including hosts, marketing representatives, supervisors and shift managers.
- (6) Slot machines personnel who attend to or support gaming activities within the casino, including attendants, technicians, supervisors and shift managers.

HOUSE BILL 24- _____

(7) Accounting personnel who work directly with financial information relating to gaming activities, including revenue auditors staff accountants and supervisors.

(8) Information technology personnel who attend to or support gaming activities within the casino, including technicians, engineers and supervisors.

(9) Members of the management team who are manager level and above and who oversee or supervise or have responsibility over any of the above operations.

(10) Executive directors of the casino licensee.

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

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

(e) "Casino service provider" means a person subject to licensing pursuant to this chapter that offers goods or services directly related to casino gaming activities, including

HOUSE BILL 24-_____

such persons as gaming equipment manufacturers, importers, distributors, or repairers; and casino security services;

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

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

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

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

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

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

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

HOUSE BILL 24- _____

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

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

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

§ 2313. Establishment of Regulatory Commission.

(a) The Commonwealth Casino Commission is hereby established as an autonomous public agency of the government of the Commonwealth of the Northern Mariana Islands. As an autonomous public agency, it shall establish and maintain its own bank accounts, process the payroll of its members and employees, process payment for its operational expenses, and handle procurement matters pursuant to regulations consistent with Commonwealth law enacted therefore. The Commission shall enact its own procurement policy, personnel policy, personnel classification structure, and a salary schedule for its employees consistent with Commonwealth law; provided that 1 CMC § 8246 and § 8248 shall not apply to any employee of the Commonwealth Casino Commission.

HOUSE BILL 24- _____

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

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

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

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

(c) Qualifications of Commissioners.

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

(2) A Commission member must be an adult, and possess a good moral character, a bachelor's degree in any field of study from a postsecondary educational institution accredited in the United States or must have at least five

HOUSE BILL 24- _____

years work experience in the following areas: business management, government management, or financial management.

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

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

(5) No individual may serve as a member of the Commission, if such individual, or a parent or child of such individual, holds or is an applicant for any license under this title or holds any direct or indirect financial interest in any person or entity that holds or is an applicant for any license under this title.

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

HOUSE BILL 24- _____

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

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

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

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

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

HOUSE BILL 24- _____

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

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

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

(i) Meetings and Quorum.

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

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

(3) The minimum number of members needed to constitute a quorum for the conduct of Commission business shall be three members. A member who is

HOUSE BILL 24- _____

present in the CNMI may appear telephonically or via videoconference and shall be deemed present to constitute a quorum.

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

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

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

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

HOUSE BILL 24- _____

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

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

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

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

(3) The examination, supervision and monitoring of the continuing fiscal and financial capability of casino owners, operators, concessionaires and other parties with any direct relation to the sole casino and to protect the public in the event that such capability is significantly diminished.

(4) To collaborate in the definition, coordination and execution of the economic policies for the operations of the casino games of fortune and other

HOUSE BILL 24- _____

ways of gaming, pari-mutuels, wagering and casino gaming activities offered to the public.

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

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

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

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

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

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

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

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

HOUSE BILL 24- _____

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

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

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

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

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

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

(h) The Commission shall have the authority to issue a license to a casino licensee. The license shall not be suspended or revoked absent finding of clear and convincing evidence during a hearing pursuant to 1 CMC § 9101 *et seq.* by unanimous vote of the Commonwealth Casino Commission.

(i) Information, data deemed confidential; exceptions.

HOUSE BILL 24- _____

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

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

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

HOUSE BILL 24- _____

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

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

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

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

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

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

HOUSE BILL 24- _____

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

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

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

(l) The Commission shall submit to the legislature for approval on or before April 1 of each year a proposed annual budget for the next fiscal year in accord with the budgeting and planning procedure applicable to all departments of the Executive Branch beginning fiscal year 2027. Within its proposed budget, the Commission shall itemize all personnel, travel, and other expenses for the fiscal year in question; the sums required to be expended during the year with respect to its casino regulatory responsibilities; and a detailed statement of all other Commission assets, liabilities, revenues and expenditures.

(m) The Commission may hold investigative hearings which may be conducted by one or more members with the concurrence of a majority of the Commission with

HOUSE BILL 24- _____

public notice, or by a hearing examiner appointed by the Commission, with public notice, at such times and places, within the Commonwealth, as may be convenient. The Commission may have open working meetings, with notice, within the Commonwealth, to discuss and deliberate about any matter over which the Commission has jurisdiction. The Commission may attend gaming-related workshops, conferences and training courses which shall not constitute a working meeting. Final action shall only occur in an open meeting after appropriate notice has been given to the public.

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

(o) The Commission or any of its members with the concurrence of the majority has full power and authority to issue subpoenas and compel the attendance of witnesses at any place within the Commonwealth, to administer oaths, receive evidence, and to require testimony under oath. The Commission or any member thereof with the

HOUSE BILL 24- _____

concurrence of the majority may appoint hearing examiners who may issue subpoenas, administer oaths, and receive evidence and testimony under oath.

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

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

(r) The Commission may initiate regulatory proceedings or actions appropriate to enforce the provisions of the gambling, or gaming laws of the Commonwealth, except for the local gaming initiatives of the First and Second Senatorial Districts and the regulations promulgated thereto, when appropriate shall, in conjunction with the Attorney General, sue civilly to enforce the provisions of the gambling and gaming laws of the Commonwealth, except for the local gaming initiatives of the First and Second Senatorial Districts and the regulations promulgated thereto, and may request that the Attorney General prosecute any public offense committed in violation of any provision of gambling or gaming laws of the Commonwealth.

HOUSE BILL 24- _____

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

- (1) In violation of constitutional provisions;
- (2) In excess of the statutory authority or jurisdiction of the Commission or the hearing examiner;
- (3) Made upon unlawful procedure;
- (4) Unsupported by any evidence; or
- (5) Arbitrary or capricious or otherwise not in accordance with law.

(t) To have sole jurisdiction to determine whether a person or entity requires licensure or a finding of suitability in order to own, be employed by, receive revenue or profits (whether directly or indirectly) from, or do business with, a licensed casino facility subject to regulation by the Commission, regardless of the location of the person or entity. Further, the Commission shall have sole jurisdiction to determine whether a person or entity remains suitable in order to continue to own, be employed by, receive

HOUSE BILL 24- _____

revenue or profits (whether directly or indirectly) from, or continue to do business with, a casino facility regulated by the Commission. Notwithstanding any other law to the contrary, the Commission's decisions on licensure or finding of suitability may be reviewed by the Commonwealth Superior Court which may affirm the decision and order of the Commission or the hearing examiner, or it may remand the case for further proceedings, or reverse the decision only if the substantial rights of the petitioner, applicant or license holder have been prejudiced because the decision is:

(1) In violation of constitutional provisions;

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

(3) Made upon unlawful procedure;

(4) Unsupported by any evidence; or

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

(u) The Commission shall have the authority to require performance and completion bonds in any amount agreeable to the Commission or any other means of assurance in lieu of a "bond" acceptable to the Commission that the project will be timely and fully completed, free of any mechanic's or other liens, prior to or during the construction of any facility that houses a facility or entity which requires a license from the Commission. In addition to other Commonwealth regulatory agencies, the Commission may regulate the interior design, cleanliness or sanitation of any portion of

HOUSE BILL 24- _____

the integrated resort, or other facility which requires or has a license issued by the Commission.

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

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

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

(y) Self-Exclusion: The Commission may create self-exclusion programs in which problem gamblers or problem gamblers, may, and any licensed casino or other facility licensed by the Commission must participate. Such programs may include, but not be limited to, provisions which require problem gamblers to forfeit to the Commonwealth any chips, credits or wagering instruments of any kind on their possession in any facility from which they have been excluded, as well as provisions requiring any licensed facility

HOUSE BILL 24- _____

to forfeit to the Commonwealth any or all of a self-excluded patron's losses if the excluded person is permitted to gamble or game once they have self-excluded.

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

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

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

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

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

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

HOUSE BILL 24- _____

§ 2315. Executive Director.

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

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

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

(2) Ten_years of work experience in professional, administrative, or management in government or private sectors, preferably in the gaming industry; and

(3) Good ethical and moral character; and

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

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

(c) The Executive Director shall be the head of the administration of the Commission, and subject to the general oversight and direction of the Commission, shall organize the work of the Commission in a manner that will ensure its efficient and

HOUSE BILL 24- _____

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

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

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

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

§ 2316. Rules and Regulations.

(a) The Commission shall promulgate rules and regulations to carry out the purposes of this chapter, including but not limited to, gaming promotional activities and

HOUSE BILL 24- _____

licensing carried out by independent third parties (agents), granting of gaming credit, prohibited gambling, anti-money laundering, compliance and internal controls, and control of the financial suitability of gaming operators. The Commission may, in addition to any other purpose, use such rules and regulations to interpret, enlarge upon, or define any provision of this title. Such rules and regulations shall take into consideration the need for companies generally to be able to participate in the gaming industry in the Commonwealth without jeopardizing their ability to maintain or receive gaming licenses from other United States or foreign jurisdictions.

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

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

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

§ 2317. License.

(a) Casino License.

(1) License.

(i) Number of Authorized License.

HOUSE BILL 24- _____

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

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

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

HOUSE BILL 24- _____

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

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

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

HOUSE BILL 24- _____

(c) Individual Licenses.

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

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

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

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

(f) Change of Licensee. No license may be sold, assigned, pledged, transferred, or otherwise alienated or encumbered without the express written permission of the Commission or as the Commission may by regulation provide. A change in the

HOUSE BILL 24- _____

ownership or control of a licensee shall be considered a transfer of a license under this subsection, except where a change in ownership is as a result of a change in stockholders of a publicly held corporation. The seller of the license must pay all taxes due as a result of capital gains of the sale of the license. No sale or lease of a casino (or of a larger establishment of which the casino is a part) or contract for its operation or management may be entered into, except as set forth in subsections (f)(1) and (f)(2) herein.

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

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

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

(1) Is a purely personal privilege;

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

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

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

(5) Is transferable from the premises for which the license was originally issued to other premises, subject to the provisions of the gaming laws of the

HOUSE BILL 24- _____

Commonwealth, regulations promulgated thereunder, and other applicable laws and regulations;

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

(7) Does not constitute property;

(8) Is not alienable;

(9) Is not subject to attachment or execution;

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

(h) Grandfathered Conversion License; Qualifying Successor.

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

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

HOUSE BILL 24- _____

(a) satisfies fit-and-proper and financial capability standards; (b) executes any Commission-required compliance plan and bond/assurance; (c) is current on, or has Commission-approved agreements to cure, any lawfully imposed fees, taxes, rents, or penalties relating to the assets and operations it elects to assume; and (d) agrees in writing that no right of exclusivity exists or will be asserted going forward.

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

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

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

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

HOUSE BILL 24- _____

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

§ 2318. Investigations.

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

HOUSE BILL 24- _____

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

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

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

§ 2319. Detention of Violators.

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

HOUSE BILL 24- _____

necessary to ensure that a law enforcement officer is summoned and arrives with as little delay as possible.

§ 2320. Exclusion or Removal.

A casino operator or any employee or agent of such operator may exclude or remove any undesirable person from a casino pursuant to regulations promulgated by the Commission and may use reasonable force to carry out such exclusion or removal. A casino may establish and enforce a dress code for its patrons, and any person who fails to comply with such code on the premises of such gaming establishment may, at the discretion of the casino operator, be deemed an undesirable person for purposes of this section. Any action taken under this section shall comply with any applicable federal or Commonwealth law that prohibits discrimination by private persons against individuals generally or against any protected class of individuals.

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

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

§ 2322. Entry by Law Enforcement Officers.

A law enforcement officer may, without warrant, notice, or explanation, enter any area of a casino to which a patron of the casino or the public has access and, for such purpose, such area is a public place in which the officer may exercise any power or discharge any duty which may be exercised or discharged in a public place under this chapter or any other provision of law. A law enforcement officer may enter any other

HOUSE BILL 24- _____

area of a casino or any area of a casino service provider with the consent of any person having control over such area, at the request of any person inspecting or monitoring such area on behalf of the Commission under 4 CMC § 2317(e), or as otherwise authorized by law.

§ 2323. Gambling by Commission and Licensees Prohibited.

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

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

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

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

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

HOUSE BILL 24- _____

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

§ 2324. Administrative Penalties.

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

§ 2325. Nonprofit Gaming Permits.

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

§ 2326. Persons Ineligible for Employment.

Members of the 24th CNMI legislature and their immediate family as defined in 1 CMC § 8503(h), shall not be paid or receive any financial consideration nor shall they be retained as independent contractors or employed directly or indirectly by any casino

HOUSE BILL 24- _____

licensed under this chapter in its current form or as amended, or by said casino's affiliates or agents, for five (5) years beginning from the date of the issuance of said casino's license.

§ 2327. Serving of Alcohol.

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

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

(a) A person who has:

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

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

(ii) a holder of any license granted by the Commonwealth Casino Commission; either directly or indirectly, through any business organization under such a person's control, that involves the operations of

HOUSE BILL 24- _____

a licensee without the prior approval of the Commission. This provision does not prohibit any person from purchasing any goods or services for personal use from a licensee at retail prices that are available to the general public.

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

§ 2329. Remedies Are Cumulative.

The remedies of the Commonwealth Casino Commission, the Commonwealth, its political subdivisions and agencies for the imposition, collection, and payment of any penalty, fine, fee, license fees, taxes, and interest provided for in the Commonwealth Code, the regulations of the Commission, and the regulations of any other government agency are cumulative to each other and any action taken or not taken by the Commission, the Commonwealth or any agency does not constitute an election by the Commonwealth, the Commission or any other agency to pursue or not pursue any remedy to the exclusion of any other remedy for which provision in the Code or any regulation.

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

HOUSE BILL 24- _____

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

(a) Pay the person any remuneration for any service relating to the activities of a licensee, except for amounts due for services rendered before the date of receipt of notice of such action by the Commission. Any contract or agreement for personal services or the conduct of any activity at a licensed gaming establishment between a former employee whose employment was terminated because of failure to apply for a license or a finding of suitability, denial of a license or finding of suitability, or revocation of a license or a finding of suitability, or any business enterprise under the control of that employee and the licensee, holding or intermediary company or registered publicly traded corporation is

HOUSE BILL 24- _____

subject to termination. Every such agreement shall be deemed to include a provision for its termination without liability on the part of the licensee upon a finding by the Commission that the business or any person associated therewith is unsuitable to be associated with a gaming enterprise. Failure expressly to include such a condition in the agreement is not a defense in any action brought pursuant to this section to terminate the agreement.

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

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

§ 2331. Inspections.

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

HOUSE BILL 24- _____

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

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

§ 2332. Contempt.

If any person in proceedings before the Commonwealth Casino Commission disobeys or resists any lawful order or refuses to respond to a subpoena, or refuses to take the oath or affirmation as a witness or thereafter refuses to be examined, or is guilty of misconduct during the hearing or so near the place thereof as to obstruct the proceeding, the Commission may certify the facts to the Commonwealth Superior Court where the proceedings are held. The court shall thereupon issue an order directing the person to appear before the court and show cause why the person should not be punished as for contempt. The court order and a copy of the statement of the Commission must be served

HOUSE BILL 24- _____

on the person cited to appear. Thereafter, the court has jurisdiction of the matter, and the same proceedings must be had, the same penalties may be imposed and the person charged may purge himself or herself of the contempt in the same way as in the case of a person who has committed a contempt in the trial of a civil action before the superior court.

§ 2333. Malfunctions.

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

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

§ 2334. Enforcement.

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

(b) Any agent, inspector or other person who is trained and authorized by the Executive Director of the Commonwealth Casino Commission to enforce the provisions

HOUSE BILL 24- _____

of: the casino and gambling laws or gaming laws of the Commonwealth; and the regulations promulgated thereunder may:

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

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

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

(c) If the Commonwealth Casino Commission enters into a mutual agreement with any other casino or gaming commission established by local law or referendum within the CNMI which provides for the rendering of assistance, any agent, inspector, or other person who is authorized by the Executive Director of the Commonwealth Casino Commission to enforce the provisions of the casino, gaming, and gambling laws of the Commonwealth, and the regulations promulgated thereunder may assist the other local commission in the enforcement of the local laws and regulations promulgated thereunder both in the Third Senatorial District and the senatorial district in which the requesting commission is located. Such assistance is hereby declared to be within the scope of the Casino Commission agent's jurisdiction and duties as a law enforcement officer of the Commonwealth.

HOUSE BILL 24- _____

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

§ 2335. Jurisdiction.

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

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

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

HOUSE BILL 24- _____

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

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

2336. No Liability for Official Acts.

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

Article 3. Financial Instruments in Casino Gaming.

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

(a) “Casino credit instrument” means a gaming guarantee, marker, or any other writing which evidences a gaming debt owed to a person who holds a casino gaming license in any senatorial district of the Commonwealth and includes any writing taken in consolidation, redemption or payment of a previous credit instrument.

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

HOUSE BILL 24- _____

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

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

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

(g) “Marker” means a dated instrument bearing the following information: the name of the player; the name, location, and account number of the player’s bank; and the instruction “Pay to the Order of” the casino for a specific value in United States dollars or such other currency approved by the Commission. The marker also contains a stipulation

HOUSE BILL 24- _____

whereby the maker represents that the amount drawn by the marker is on deposit in the referenced financial institution and that the maker guarantees payment.

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

2352. Gaming Debt.

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

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

§ 2353. Casino Credit Instruments.

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

(1) may accept a casino credit instrument that is payable to an affiliated company or may complete a casino credit instrument in the name of an affiliated company as payee, only if the affiliated company is licensed by the Commission,

HOUSE BILL 24- _____

the casino credit instrument otherwise complies with this subsection, and the records of the affiliated company are made available to agents of the Commission upon request.

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

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

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

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

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

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

HOUSE BILL 24- _____

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

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

(i) is signed by a patron;

(ii) states the credit limit being offered or that there is no credit limit;

(iii) states the interest rate and any fees to be incurred;

(iv) advises the patron that the principal debt amount will be filled in after play is completed and the debt is incurred; and

(v) states that the patron will also be responsible for paying interest as it accrues as well as collection fees listed.

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

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

(h) The appropriate regulatory commission or agency in each senatorial district may adopt regulations prescribing the conditions under which a casino credit instrument

HOUSE BILL 24- _____

may be redeemed or presented to a bank, credit union, or other financial institution for collection or payment.

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

§ 2354. Applicability.

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

Article 6. Internet, Online Gaming and Digital Currency.

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

§ 2591. Federal Law Compliance and Jurisdictional Scope.

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

(b) The Commission may, by regulation, authorize participation from other U.S. states, territories, or foreign jurisdictions, only pursuant to interstate or international

HOUSE BILL 24- _____

compacts, agreements, or arrangements expressly permitted under U.S. federal law. Any foreign jurisdiction must not be subject to U.S. trade or financial restrictions and must be specifically approved by the Commission.

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

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

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

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

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

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

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

§ 2593. Licensing and Technical Standards.

HOUSE BILL 24- _____

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

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

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

§ 2594. Authorization of Digital Gaming Instruments.

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

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

§ 2595. Redemption and Consumer Protections. _

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

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

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

§ 2596. Oversight and Governance.

HOUSE BILL 24- _____

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

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

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

§ 2597. Use in Internet and Online Gaming.

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

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

§ 2598. Limitations.

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

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

§ 2599. Internet Gaming Regulatory Fee.

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

HOUSE BILL 24- _____

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

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

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

§ 2600. Taxation.

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

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

Section 3. Severability. If any provisions of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to

HOUSE BILL 24- _____

persons or circumstances other than those to which it is held invalid shall not be affected thereby.

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

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

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

Prefiled: _____

Date: _____ Introduced by: _____
Rep.

Reviewed for Legal Sufficiency by:

HOUSE BILL 24- _____

House Legal Counsel

~~Article 3. Internet Gaming & Digital Payments~~

~~§ 2333. Short Title. This Act may be cited as the “Internet Gaming and Digital Payments Modernization Act of 2025.”~~

~~§ 2334. Definitions. Includes Internet Gaming, Operator, Service Provider, Authorized Player, Approved Stablecoin, Digital Wallet Provider, and related terms.~~

~~§ 2335. Authorization & Scope. Internet Gaming is authorized under the Commission; intrastate play only unless compacts; must comply with UIGEA and federal law; MOUs allowed with Tinian Commission.~~

~~§ 2336. Licensing. Operators must hold a casino license plus Internet endorsement; service providers licensed; reciprocity with Tinian if standards equal or higher.~~

~~§ 2337. Technical Standards. Requires lab certification, security standards, geolocation controls, and CNMI based critical components unless exempted.~~

~~§ 2338. Player Accounts & Consumer Protections. Requires age 21+, self exclusion tools, recordkeeping for 5 years, website disclosures, dispute resolution procedures.~~

~~§ 2339. Payments & Digital Currency. Permits Approved Digital Payment Instruments; sets standards for Approved Stablecoins (1:1 reserves, segregation, attestations); requires AML/OFAC compliance; prohibits privacy coins.~~

~~§ 2340. Internet Gaming Gross Gaming Revenue Tax (iGGR). Establishes a tax on iGGR at a rate set by law (not to exceed 10%); in lieu of BGRT on gaming revenues; non-gaming revenues remain taxable.~~

~~§ 2341. Enforcement. Provides Commission enforcement authority; sanctions, rulemaking within 180 days, severability clause.~~