

TITLE 4: ECONOMIC RESOURCES
DIVISION 1: REVENUE AND TAXATION

§ 1504. Limitation on Number of Poker Machine Licenses Issued.

(a) Except as provided in subsection (c) or (d) of this section, the total number of poker machine licenses issued under this chapter shall not exceed 200 per each senatorial district.

(b) A license application shall designate the senatorial district in which the machine shall be operated. No machine shall be operated in more than one district, and no machine shall be operated in a district other than the one designated on the license.

(c) Notwithstanding any other provision of this section, a senatorial district may by initiative, pursuant to the Commonwealth of the Northern Mariana Islands Constitution [N.M.I. Const. art. XXI, § 1], legalize gambling in that district, thus the number of poker machines in that district will not be restricted by subsection (a) of this section.

(d) There shall be no ceiling or restriction on the number of poker machine licenses issued in and for the Third Senatorial District and the number of poker machine licenses issued in and for the First and Second Senatorial District may be increased as determined by the respective legislative delegation. Any additional fees and machines issued and imposed upon the effective date of this Act, the Secretary of Finance shall reserve such fees and will be subject for appropriation by the respective legislative delegation pursuant to the authority set forth in 4 CMC § 1503(e) and 1 CMC §§ 1403 and 1405.

(e) The renewal of a license existing prior to January 1, 1995, shall not be limited by subsection (a) of this section.

(f) The total number of licenses to be issued under 4 CMC § 1503(a)(5) shall not exceed 200 each for the First and Second Senatorial Districts. There shall be no limitation on the number of such licenses issued for the Third Senatorial District. The number of pachinko slot machine licenses issued in and for the First and Second Senatorial District may be increased as determined by the respective legislative delegation.

Upon the failure of any person to renew a license, that license shall not be reissued to any other person if it will cause the number of such licenses to exceed that amount provided for in subsection (a) of this section.

Source: PL 9-22, § 1 (§ 1504); amended by PL 9-29, § 7, modified; subsections (d) and (f) amended by PL 11-25, §§ 11 and 12, respectively.

Commission Comment: Section 11 of PL 11-25 amended subsection (d). Section 12 of PL 11-25 amended subsection (f). PL 11-25 took effect on August 10, 1998. Section 2 of PL 11-25 contained findings as follows:

Section 2. Findings. The Legislature finds that 4 CMC § 1402(a), as enacted by Public Law 9-22, was amended by Public Law 9-57. The Legislature further finds that this statute is in need of further amendment to help alleviate the financial crisis facing the Commonwealth government, by eliminating sunset provisions that would reduce tax revenues. Likewise, the excess credit tax on the Earned Income Credit under the Northern Marianas Territorial Income Tax (NMTIT), which

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was partially eliminated by Public Law 9-22, must be reinstated. The Commonwealth can no longer afford to pay this credit. In addition, the Commonwealth's implementation of the Earned Income Credit in a manner that diverges from that of the U.S. Internal Revenue Code exposes the CNMI government to potential liability in the tens of millions of dollars. Re imposition of the excess tax credit on the Earned Income Credit will eliminate this risk to the Commonwealth and CNMI taxpayers.

The Legislature also finds and declares that the amendment to 4 CMC § 1402(a) made by Public Law 9-57 had the effect of extending the sunset date for 4 CMC § 1402(a)(16), as amended, until October 6, 1998.

The Legislature also finds that the ceiling on the number of poker and pachinko slot machine licenses is a deterrent to economic growth in the Commonwealth and should be lifted. Accordingly, the ceiling on poker and pachinko slot machines is repealed and license fees for such machines are increased. Each Senatorial District is authorized to adopt additional license fees which shall be available for local appropriation.