

TITLE 4: ECONOMIC RESOURCES
DIVISION 2: TOURISM

§ 2306. Fees and Initial Investment.

(a) Application Fees. An applicant for a license under this chapter shall pay a one-time nonrefundable application fee of one million dollars. The applicant must submit an application to the Commonwealth Lottery Commission and deposit the one million dollars fee with the Commonwealth Treasury before May 2, 2014.

(b) Exclusive License Fees. The annual fee for the exclusive license shall be fifteen million dollars and shall be paid as follows:

(1) Payment of \$30,000,000 shall be paid upon the receipt of the exclusive casino license to cover the first and the fifth year.

(i) To be eligible for the exclusive license, the \$30,000,000 required for the first and fifth year fees shall be deposited in a third party independent escrow account, to be selected by the Commonwealth Treasurer, no later than May 16, 2014. Documentation evidencing such deposit shall be submitted to the Commonwealth Lottery 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 exclusive casino license to the applicant depositing the funds. If an exclusive casino license is not issued to the applicant depositing the funds, the funds and any interest shall be released to such applicant upon the denial of the application.

(2) Payment of \$15,000,000 annual license fee shall be paid when the fees for the second through fourth years are due; and

(3) Payment of \$15,000,000 shall be paid when the fees for the sixth year is due; and \$15,000,000 for each year thereafter.

(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.

(c) An applicant must satisfy the payment requirements under subsections (a) and (b) of this section to be eligible for an exclusive license under this chapter. An applicant who fails to deposit the \$1 million and \$30 million 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 Lottery Commission no later than May 16, 2014.

(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 (e).

(e) The applicant who is granted an exclusive license under this chapter shall make an initial investment of at least two billion dollars, to include a casino and a resort with a minimum of 2,000 guest rooms. The purchase of an existing hotel shall not be included in satisfying the requirement of building 2,000 rooms.

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Source: PL 18-38 § 5(106) (Mar. 21, 2014), modified; amended by PL 18-43 § 6 (Apr. 1, 2014), modified; repealed by PL 18-56 § 2 and reenacted by PL 18-56 § 7(2306) (July 11, 2014).