

TITLE 4: ECONOMIC RESOURCES
DIVISION 5: BUSINESS REGULATION

§ 50202. Eligibility.

(a) Any business which is either a trust, a partnership, a sole proprietorship, a corporation, a limited liability corporation or a limited liability partnership is eligible to apply for a Qualifying Certificate in one or more of the following areas:

1. Franchise restaurants;
2. Water parks;
3. Aquariums;
4. Cultural centers;
5. Theme parks;
6. Resort hotels and condominiums;
7. Golf courses;
8. Convention centers;
9. Dinner theaters;
10. Special events such as conventions and sporting events;
11. CNMI based airlines and other aviation related activities;
12. Manufacturing or processing of high technology products;
13. Internet related businesses and/or businesses engaged in internet commerce; or,
14. Any development or project beneficial to the economic development of the Commonwealth not listed above.

(b) Any business engaged in gaming or gambling activity or the distribution, sale, rental or providing of gambling equipment on Saipan shall not be eligible for a Qualifying Certificate.

(c) Any business engaged in casino gambling activities conducted within its hotel-casino premises located in the senatorial districts of Tinian and Rota may be eligible for a Qualifying Certificate

(d) Any holder of a Qualifying Certificate shall not be eligible for a license to engage in gaming or gambling activity on the premises covered by the Qualifying Certificate if those premises are located on Saipan.

Source: PL 12-32, § 3 (3302); amended by PL 12-50, § 2 (b); subsections (b) and (c) added by PL 18-30 § 8 (Dec. 13, 2013); subsections (b) and (c) amended, subsection (d) enacted by PL 19-23 § 2 (Dec. 4, 2015).

Commission Comment: PL 18-30 added subsections (b) and (c). The Commission re-codified the pre-existing statute as subsection (a) pursuant to [§ 3806\(a\)](#). Section 8 of PL 18-30 read, “4 CMC Section 50202 is amended by adding a new subsection (b) as follows...” but listed both subsection (b) and (c). The Commission codified both subsections.

In addition to severability and savings clauses, PL 19-23 (Dec. 4, 2015) included the following findings and purpose section:

Section 1. Findings and Purpose. The Legislature finds that, as previously recognized, tourism plays a significant role in the CNMI

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economy. The availability of gaming entertainment supports tourism and the accompanying economic benefits. Continued investment is required to make the CNMI an attractive tourist destination. Some of the CNMI's greatest assets, its natural beauty and distinct cultural history, are a result of the unique and remote location of our islands. However, this remote location also presents an investment barrier. Tinian and Rota are even more difficult and expensive to access than Saipan. Given the increased costs of travel to and goods on Tinian and Rota, the Legislature finds that financial incentives are required to encourage investment and development on Rota and Tinian. The Legislature recognizes that the people of both Rota and Tinian have passed referenda to establish casino gaming to foster the growth of tourism.

Currently, financial incentives under the Investment Incentive Act of 2000 are not available to casinos, any business engaged in gaming or gambling activities, or any business engaged in the provision, distribution, sale or rental of gambling equipment, because such businesses are ineligible for a Qualifying Certificate. The people of Tinian specifically restricted the issuance of a casino license to major hotel-casino complexes so that the casino industry would be connected to and promote the hospitality industry. However, Public Laws 18-30 and 18-56 make casinos and other businesses engaged in gaming and gambling activities ineligible for Qualifying Certificate.

This Act removes obstacles to continued and future investment and amends the Investment Incentive Act of 2000 and a corresponding code section, [4 CMC § 2302\(c\)](#), concerning the taxation of casinos to extend eligibility for Qualifying Certificates to casinos on the islands of Tinian and Rota to promote tourism and ongoing economic development on those islands.