
AN ACT

To increase the fee for licensing of poker machines, to amend 4 CMC Section 1504(a)(2), and for other purposes.

BE IT ENACTED BY THE FIFTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1 Section 1. Short Title. This act may be cited as the Poker Machine
2 Act of 1986.

3 Section 2. Findings. The Legislature finds that:

4 (a) The regulation of poker machines is a proper subject
5 of legislation and is a legitimate exercise of the police
6 power;

7 (b) While the revenues generated from poker machines are
8 substantial, any increase in the number of poker machines after
9 the effective date of this Act poses a serious threat to the
10 health, safety and well-being of the citizens of the
11 Commonwealth of the Northern Mariana Islands;

12 (c) The revenues generated from licensing of poker
13 machines should be earmarked for programs which develop human
14 resources and provide a permanent source of funding for the
15 government's obligation to the Northern Marianas Retirement
16 Fund.

17 Section 3. Increased Fee.

18 (a) The annual license fee for poker machines is
19 increased from \$2,500 to \$3,000, and thereafter as prescribed
20 under Section 4 of this Act. For those machines already

1 licensed in 1986, this new fee shall become effective upon the
2 next renewal following the effective date of this Act. License
3 fees shall be paid in full prior to the issuance of a license.

4 (b) No additional poker machine licenses shall be issued
5 in Senatorial District No. 3 after the effective date of this
6 Act. Those persons who have paid the license fee for 1986
7 shall be entitled to have their licenses renewed, provided they
8 have complied with the applicable laws and regulations. Upon
9 the failure of any person to renew a license, that license shall
10 not be reissued to any other person if it will cause the number
11 of such license to exceed 200 in any senatorial district.

12 (c) The Director of Finance, after consulting with the
13 Director of Commerce and Labor, shall promulgate reasonable
14 rules and regulations which shall provide for, inter alia, the
15 issuance of licenses, temporary suspension or permanent
16 revocation of licenses, to prohibit the transfer of a license
17 to a replacement machine in the event a licensed machine is
18 defective or malfunctioning, and that machines which are
19 operated on premises on which any other business activity is
20 carried on, shall maintain and operate poker machines in a
21 separate room in order to control access to such machines.

22 Section 4. Conforming Amendment. 4 CMC Section 1504(a)(2) is
23 amended to read:

24 "(2) For amusement machines whose major element is chance
25 which provides a reward or prize of value or for poker machines
26 or similar amusement machines, a graduated fee as follows:

1 (A) Through Calendar Year 1988, the license fee
2 is \$3,000 per machine;

3 (B) From 1989 through 1991, the license fee is
4 \$4,000 per machine; and

5 (C) From 1992 and thereafter, the license fee
6 is \$5,000 per machine."

7 Section 5. Reservation of License Revenue.

8 (a) The Director of Finance shall deposit 10% of all
9 revenues raised from the licensing of amusement machines under
10 4 CMC Section 1504(a)(2) in a separate trust account in the
11 General Fund to be known as the Human Resource Development Trust
12 Fund. The revenues deposited in this account shall be reserved
13 for the Job Training Partnership Act Program.

14 (b) The Director of Finance shall reserve 90% of all
15 revenues raised from the licensing of amusement machines under
16 4 CMC Section 1504(a)(2) for the Northern Mariana Islands
17 Retirement Fund and shall promptly deposit such revenues with
18 the Commonwealth Treasury without further appropriation.

19 Section 6. Criminal Penalty.

20 (a) A person commits a criminal offense when he places
21 or causes to be placed into operation a non-licensed poker
22 machine and, upon conviction, shall be punished by a fine not
23 to exceed \$2,000 or six months imprisonment, or both.

24 (b) A person, including an owner, or operator of a poker
25 machine, a parent or a legal guardian, commits a criminal

1 offense when he assists, encourages or allows another person
2 who is less than eighteen years old to use a poker machine and,
3 upon conviction, shall be punished by a fine not to exceed
4 \$2,000 or one year imprisonment, or both.

5 Section 7. Limitation on Number of Poker Machines.

6 (a) Except as provided in Section 3 of this Act, the
7 total number of licenses issued under 4 CMC Section 1504(a)(2)
8 shall not exceed 200 per each senatorial District.

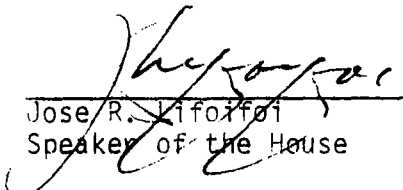
9 (b) A license application shall designate the Senatorial
10 district in which the machine shall be operated. No machine
11 shall be operated in more than one district and no machine
12 shall be operated in a district other than that designated on
13 the license.

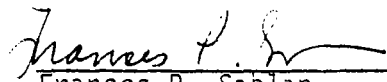
14 (c) Should any Senatorial district by initiative,
15 pursuant to the Commonwealth of the Northern Mariana Islands
16 Constitution, legalize gambling in that district, then the
17 number of poker machines in that district will not be
18 restricted by Section 7(a) of this Act.

19 Section 8. Severability. If any provision of this act is held
20 invalid, the invalidity of the remainder of the act shall not be
21 affected thereby.

22 Section 9. Effective Date. This act shall take effect upon its
23 approval by the Governor or upon its becoming law without such approval.

ATTEST:

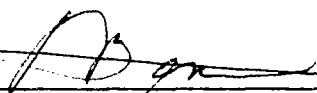

Jose R. Lioffoi
Speaker of the House


Frances P. Sablan
House Clerk

PUBLIC LAW NO. 5-3

H.B. No. 5-70, H.D.1

February 12, 1986



Pedro P. Tenorio
Governor
Commonwealth of the Northern Mariana Islands