



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Eloy S. Inos
Governor

Jude U. Hofschneider
Lieutenant Governor

.1 3 DEC 2013

Honorable Joseph P. Deleon Guerrero
Speaker, House of Representatives
Eighteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

The Honorable Ralph D.L.G. Torres
Senate President
Eighteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Mr. Speaker and Mr. President:

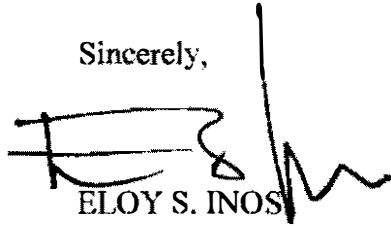
This is to inform you that I have signed into law, House Bill 18-51, HD4, SS1, CCD1, entitled, "To provide additional gaming entertainment for tourists by amending the definition of gambling device to exclude electronic gaming machines," which was passed by the Eighteenth Northern Marianas Commonwealth Legislature.

I approve this measure as it will assist the Commonwealth to meet its obligations to the Settlement Fund and the Northern Mariana Islands Retirement Fund. However, I am concerned about the reduction of fees to \$2,500 per poker machine for those situated in hotels involved in electronic gaming. That said, I have been assured by the Ways and Means committee of the House of Representatives that an amended measure will be forthcoming to remove poker machines from the list of reduced fees for those situated in hotels for the purpose of electronic gaming.

I urge the legislature to scrutinize proposed fees more carefully in future legislations so the Commonwealth may maximize benefits to fund much needed programs.

This bill becomes **Public Law No. 18-30**. Copies bearing my signature are forwarded for your reference.

Sincerely,



ELOY S. INOS

CC: Lt. Governor
Attorney General
Department of Finance
Special Assistant for Management and Budget
Department of Commerce
Commonwealth Development Authority
Press Secretary, Office of the Governor
Special Assistant for Programs & Legislative Review



House of Representatives

18th NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

P.O. BOX 500586
SAIPAN, MP 96950

December 6, 2013

The Honorable Eloy S. Inos
Governor
Commonwealth of the Northern
Mariana Islands
Capitol Hill
Saipan, MP 96950

Dear Governor Inos:

I have the honor of transmitting herewith for your action **H. B. No. 18-51, HD4, SS1, CCD1**, entitled: "To provide additional gaming entertainment for tourists by amending the definition of gambling device to exclude electronic gaming machines.", which was passed by the House of Representatives and the Senate of the Eighteenth Northern Marianas Commonwealth Legislature.

Sincerely yours,



Linda B. Muña
House Clerk

Attachment



*Eighteenth Legislature
of the
Commonwealth of the Northern Mariana Islands*
IN THE HOUSE OF REPRESENTATIVES

First Special Session

April 18, 2013

Representative Antonio P. Sablan, of Saipan, Precinct 1 (*for himself*, Representatives Antonio R. Agulto, Anthony T. Benavente, Roman C. Benavente, Lorenzo I. Deleon Guerrero, Christopher D. Leon Guerrero, Janet U. Maratita, and Mariano Taitano,) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H.B. 18-51, HD4, SS1, CCD1

AN ACT

**TO PROVIDE ADDITIONAL GAMING ENTERTAINMENT FOR
TOURISTS BY AMENDING THE DEFINITION OF GAMBLING
DEVICE TO EXCLUDE ELECTRONIC GAMING MACHINES.**

The Bill was referred to the House Committee on Ways and Means, and to the House Committee on Commerce, which submitted Standing Committee Report 18-16, adopted on May 9, 2013.

**THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON
FIRST AND FINAL READING, ON MAY 9, 2013;**
with amendments in the form of H. B. 18-51, HD4 and transmitted to the
THE SENATE.

The Bill was referred to the Senate Committee on Judiciary, Government, and Law, which submitted Standing Committee Report 18-29.

THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, ON AUGUST 21, 2013;
with amendments in the form of H. B. 18-51, HD4, SS1.

H. B. 18-51, HD4, SS1 WAS RETURNED TO THE HOUSE OF REPRESENTATIVES ON AUGUST 22, 2013.

The House of Representatives rejected the Senate amendments and the Bill was sent to Conference, which submitted Conference Committee Report 18-3.

THE BILL WAS FINALLY PASSED ON OCTOBER 24, 2013.

A handwritten signature in black ink, appearing to read "Linda B. Muña", written over a horizontal line.

Linda B. Muña, House Clerk



*Eighteenth Legislature
of the
Commonwealth of the Northern Mariana Islands*
IN THE HOUSE OF REPRESENTATIVES

Ninth Day, Second Regular Session

October 24, 2013

H. B. 18-51, HD4, SS1, CCD 1

AN ACT

**TO PROVIDE ADDITIONAL GAMING ENTERTAINMENT FOR TOURISTS
BY AMENDING THE DEFINITION OF GAMBLING DEVICE TO
EXCLUDE ELECTRONIC GAMING MACHINES.**

**Be it enacted by the Eighteenth Northern Marianas Commonwealth
Legislature:**

1 **Section 1. Short title.** This Act may be cited as the “Tourism Entertainment and
2 Destination Enhancement Act of 2013.”

3 **Section 2. Purpose and Findings.** The Legislature finds that tourism continues to
4 play an important role in the Commonwealth's economy. No other potential industry appears
5 to have the capacity to generate the kind of revenue that tourism does. The Commonwealth's
6 struggle to remain competitive with other “sun and sand” resort destinations' has challenged
7 the legislature to enact policies that encourage and support tourism growth and maintain
8 visitor interest in the Commonwealth. For tourism to succeed, the Commonwealth must not
9 only promote itself as a sun and sand destination but as a destination filled with entertainment

HOUSE BILL 18-51, HD4, SS1, CCD1

1 and leisure activities desired by visitors especially from the China market. To support the
2 CNMI's plan of sun and sand destination, it is vital that night time activities be created to
3 keep our guests occupied. Other than the Thursday Night Market, the CNMI does not offer
4 many other night time activities of any type. China is now the largest outbound tourist source
5 country in Asia, having overtaken Japan. Total outbound tourism during 2011 is expected to
6 reach 65 million visitor trips. The Legislature finds that countries with gaming entertainment
7 are becoming a preferred holiday destination especially for Chinese tourists. Experiences in
8 other markets demonstrate that gaming has evolved as a core form of entertainment for
9 millions of individuals worldwide. In 2010, a survey of visitors to Macau indicated that 63%
10 of the visitors who came to Macau said that gaming entertainment was the primary attraction
11 for visiting Macau. The legislature also finds that Saipan has successfully marketed Saipan to
12 Chinese tourist. Over 1,500 Chinese tourists a week has made Saipan a destination of choice
13 and there is a need to provide desired entertainment for these guests and at the same time
14 generate revenue for the CNMI through these after-dark activities on the island of Saipan.
15 Based on charter flights plan, the number of Chinese travelers and stay on Saipan will
16 increase to 2,100 per week by July 2013. With the increase entry of Chinese tourists into the
17 CNMI, there is solid evidence that spending at duty free shops reached ultimate sales results
18 over any other period. Allowing electronic table games will give a competitive edge to the
19 NMI in the regional tourism scene, adding the allure of premier after dark entertainment to
20 the island's stunning beaches and beautiful green interior welcoming people to a laid back
21 lifestyle.

HOUSE BILL 18-51, HD4, SS1, CCD1

1 The purpose of this bill is to authorize the operation of electronic table games to
2 bolster the CNMI economy. create local jobs and most importantly provide night time
3 activities to our guests. The authorization of table games is intended to supplement slot
4 machine and poker machine gaming by increasing revenues to the Commonwealth and
5 providing new employment opportunities by creating skilled jobs for individuals related to
6 the conduct of table games at licensed facilities in this Commonwealth. This act is consistent
7 with Section 1 of Article XXI of the Northern Marianas Constitution.

8 **Section 3. Amendment.** 6 CMC § 3154(a) is amended by adding a new subsection
9 (4) as follows:

10 “(4) Electronic gaming machines or any electronic table game devices used
11 for the purpose of playing a game traditionally played at tables, and includes any
12 electronic device through which bets may be placed on a game played at a table are
13 not gambling devices; provided they are licensed as required by 4 CMC 1503(a)(6).
14 These electronic table games include a computer or server and any related hardware,
15 software or other devices that are used to conduct gaming, either as a fully automated
16 version or as a semi-automated version where the collection of bets and payout of
17 winnings are automated. Electronic table games includes poker, roulette, baccarat,
18 blackjack, craps, big wheel, slot machines, baccarat, pai gow and sic bo; and any
19 variations or composites of such.

20 All electronic table games must comply with the latest International Technical
21 Standards set by GLOBAL GAMING LABORATORIES INTERNATIONAL LLC

HOUSE BILL 18-51, HD4, SS1, CCD1

1 or SIQ GAMING LABORATORIES to ensure that they are honest, secure, reliable
2 and auditable.”

3 **Section 4. Amendment.** 6 CMC § 3156(a) is amended by adding a new subsection
4 (6) to read as follows:

5 “(6) Electronic gaming machine, or electronic table games as defined in
6 6 CMC § 3154(a) (4).”

7 **Section 5. Amendment.** 6 CMC § 3156 is amended by adding new paragraphs (b) as
8 follows:

9 “(b) In order to be exempt from this article, the gaming activities described
10 under subsections (a)(6) must be operated only within the Third Senatorial District in
11 an enclosed area at a hotel or resort premises having 100 or more rooms or with fewer
12 than 100 rooms so long as the hotel is attached to a golf course.”

13 **Section 6. Amendment.** 4 CMC § 1503(a) is amended to adding a new
14 subsection (6) to read as follows:

15 “(6) Notwithstanding 4 CMC § 1503 (a) (2) and (5) or any other law imposing
16 a license fee, the license fee for poker amusement machines, electronic gaming
17 machines, or electronic table games as define in 6 CMC §3154 (a) (3) and (4) and
18 situated at a hotel pursuant to 6 CMC §3156 (b), shall be Two Thousand Five
19 Hundred Dollars (\$2,500.00) per machine or 15% of net gaming proceeds, whichever
20 is greater. The licensee fee shall be issued on a calendar year basis, payable in
21 advance in one installment. If the 15% net gaming proceeds imposed under this
22 section is greater than the license fee per machine and per server, the fee shall be paid

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1 on the 15th day following the close of each month. The term “net gaming proceeds”
2 as used in this section, means the total amount of all credits or cash played, less the
3 total amount of credits or cash won by the patron.”

4 **Section 7. Exemption.** 4 CMC §1505 shall not apply to winnings from electronic
5 gaming machines licensed under 4 CMC §1503(a) (6) and winnings from poker, pachinko
6 and other gaming machines in a licensed casino.

7 **Section 8. Amendment.** 4 CMC Section 50202 is amended by adding a new
8 subsection (b) as follows:

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

12 (c) Any holder of a Qualifying Certificate shall not be eligible for a license to
13 engage in gaming or gambling activity on the premises covered by the Qualifying
14 Certificate.”

15 **Section 9. Enactment.** The following is hereby enacted subject to codification by the
16 Commonwealth Law Revision Commission:

17 “Section 101. Special accounts. The Secretary of Finance shall establish the
18 following special accounts into which all revenues raised from the licensing of
19 electronic table games under 4 CMC § 1503(a)(6) above shall be deposited:

20 (a) Retirement Defined Benefit Plan Members Fund. The Secretary of
21 Finance shall deposit 15% of the fees collected annually pursuant to this 4 CMC
22 §1503(a)(6) into this account. The funds in this account shall be available for

HOUSE BILL 18-51, HD4, SS1, CCD1

1 expenditure without further act of appropriation for the payment owed to Defined
2 Benefit members that terminated their membership in the Defined Benefit Plan and
3 withdrew their employee contributions pursuant to Public Law 17-82, as amended by
4 Public Law 18-02. Upon the satisfaction of the payment owed under this subsection,
5 all funds allotted under this subsection shall be deposited in Northern Marianas
6 Retirement Fund Account as provided in subsection (b). The expenditure authority of
7 the funds under section 101(a) shall be the Secretary of Finance.

8 (b) Northern Marianas Retirement Fund Account. The Secretary of Finance
9 shall deposit 60% of the fees collected annually pursuant to this 4 CMC §1503(a) (6)
10 into this account. The funds in this account shall be available for expenditure without
11 further act of appropriation for the payment of the Twenty-Five Percent (25%)
12 deferment of retirees' pensions from the Northern Mariana Islands Retirement Fund.
13 The expenditure authority of the funds under section 101(b) shall be the Secretary of
14 Finance.

15 (c) Special Account for Third Senatorial District. The Secretary of Finance
16 shall create a special account and shall deposit 15% of the fees collected annually
17 pursuant to this 4 CMC §1503 (a) (6) into this account. The funds deposited into this
18 account shall be available for appropriation by the Legislative Delegation of the
19 Senatorial District in which the fees were generated and shall be available for
20 appropriation without limitation by 1 CMC § 1402 or any other related provisions of
21 law.

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1 (d) Special Account for First and Second Senatorial Districts. The Secretary
2 of Finance shall deposit 10% of the fees collected annually pursuant to this
3 4 CMC §1503 (a) (6) into this account and divide the fees equally in subaccounts for
4 the First and Second Senatorial Districts. The funds deposited into subaccounts shall
5 be available for appropriation by the Legislative Delegation of the First and Second
6 Senatorial Districts, respectively, and shall be available for appropriation for gaming
7 and tourism enhancement activities.”

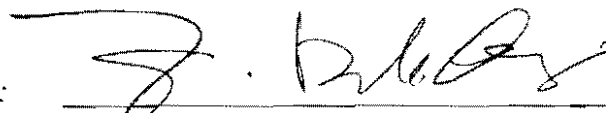
8 **Section 10. Severability.** If any provisions of this Act or the application of any such
9 provision to any person or circumstance should be held invalid by a court of competent
10 jurisdiction, the remainder of this Act or the application of its provisions to persons or
11 circumstances other than those to which it is held invalid shall not be affected thereby.

12 **Section 11. Savings Clause.** This Act and any repealer contained herein shall not be
13 construed as affecting any existing right acquired under contract or acquired under statutes
14 repealed or under any rule, regulation, or order adopted under the statutes. Repealers
15 contained in this Act shall not affect any proceeding instituted under or pursuant to prior law.
16 The enactment of the Act shall not have the effect of terminating, or in any way modifying,
17 any liability, civil or criminal, which shall already be in existence on the date this Act
18 becomes effective.

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1 **Section 12. Effective Date.** This Act shall take effect upon its approval by the
2 Governor, or its becoming law without such approval.

Attested to by: 
Linda B. Muña, House Clerk

Certified by: 
ACTING SPEAKER FRANCISCO S. DELA CRUZ
House of Representatives
18th Northern Marianas Commonwealth Legislature

APPROVED this **13TH** day of **DECEMBER**, 2013


ELOY S. INOS
Governor
Commonwealth of the Northern Mariana Islands