



Commonwealth Lottery Commission

CITIZEN CENTRIC REPORT - DECEMBER 2019

Who we are

The Commonwealth Lottery Commission (CLC), is tasked to supervise, organize, and operate a public lottery in the Commonwealth. The public lottery shall be administered and operated to produce the maximum amount of net revenues for the Commonwealth consonant with the general welfare of the people. (Source PL 3-60, § 1; subsection (d) added by PL 18-20 § 2 (October 7, 2013) PL 3-60 took effect June 3, 1983)

PL 18-38 as amended by Public Law 18-43 then granted CNMI Lottery Commission to review applications and issue an exclusive casino gaming license.

PL 18-20 allowed video terminals to be part of the operation of a public lottery

Our Mission

To further promote and regulate the exclusive gaming license within the Commonwealth thus the restructuring of the economy will provide opportunities to the people and their children an economic future in the Commonwealth and eliminate the need for people to move away from our islands to achieve their personal goals.

Lottery Commissioners

Mark O. Rabauliman - Commerce Secretary

David DLG. Atalig - Finance Secretary

Robert A. Guerrero - Public Safety Commissioner

Progress

Since the approval of the exclusive casino license for Saipan in 2014, the Commonwealth Lottery Commission made a total of eight (8) amendments to the Casino License Agreement (CLA):

Timeline of CLA amendments'

- CLA 1 (Nov. 2014)** *pertains to any proposed license transfer,*
- CLA 2 (Mar. 2015)** *allowed IPI to put up a temporary live training facility inside T-Galleria in Garapan,*
- CLA 3 (April 2017)** *allowed IPI to extend to Aug. 31, 2018 the operation of its temporary training facility,*
- CLA 4 (June 2017)** *allowed IPI to open its gaming facility in its unfinished building in Garapan,*
- CLA 5 (July 2017)** *gave IPI until Aug. 13, 2023 to complete Phase 1 of the project,*
- CLA 6 (Aug. 2018)** *extended the completion of the casino in Garapan to Feb. 28, 2021 from Aug. 31, 2018,*
- CLA 7 (Sept. 2018)** *authorized IPI to operate a less than four-to five-star existing facility (former Mariana Resort & Spa),*
- CLA 8 (Sept. 2019)** *reduced the 51 percent to 10 percent of the statutorily mandated majority shareholder controlling interest.*



Budget

PL 19-24 Section 4.

(e) The Secretary of Finance shall establish and maintain a Commonwealth Casino Application Fee Special Fund (CCAF Special Fund) to be kept separate and apart from the general funds of the Commonwealth government. The nonrefundable application fees shall be deposited in the CCAF Special Fund and expended by the Commonwealth Lottery Commission, without appropriation, for the investigation of license applicants pursuant to 4 CMC § 2318 and any other costs associated with reviewing the applications, granting or denying applications for the exclusive license. The expenditure authority for the Commonwealth Lottery Commission shall be the Chairman of the Commonwealth Lottery Commission. Any funds remaining in the CCAF Special Fund after the issuance of the exclusive license and payment of all encumbered expenses related to reviewing the application and granting or denying the application for the exclusive license, including travel or meeting cost, shall be transferred to the Commonwealth Casino Commission Regulatory Fee Fund as established by 4 CMC § 2309 for disposition.

Since the issuance of the sole casino license the CLC has had no operating budget.

Expense

As stated in PL 19-24 Section 4.

“Any funds remaining in the CCAF Special Fund after the issuance of the exclusive license and payment of all encumbered expenses related to reviewing the application and granting or denying the application for the exclusive license, including travel or meeting cost, shall be transferred to the Commonwealth Casino Commission Regulatory Fee Fund as established by 4 CMC § 2309 for disposition.”

Since all public hearings and meetings were performed during normal government hours and on government premises therefore the CLC had no expenses occurred.

Challenges

Finding a middle ground between the businesses growth within this new industry and the impact on the CNMI's cultural and traditional practices as well as the Commonwealth's infrastructure.

Outlook

The CLC Commission will continue with it's functions in collaboration with the Administration, the Attorney General's office, the public, and the gaming industry in the best interest of the Commonwealth