JGW - 8/25/15

Nineteenth Northern Marianas Commonwealth Legislature

IN THE HOUSE OF REPRESENTATIVES
August 25, 2015

Second Reg. **Session, 2015** **H. B. 19-95**

A BILL FOR AN ACT

TO CLARIFY THE POWERS OF THE COMMONWEALTH CASINO COMMISSION AND TO MAKE NEEDED CHANGES TO THE COMMONWEALTH CODE GIVEN THE UNIQUE REGULATORY OVERSIGHT OF THE CASINO INDUSTRY IN THE COMMONWEALTH; AND FOR OTHER PURPOSES.

BE IT ENACTED BY THE NINETEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Findings and Purpose. The Commonwealth Casino Commission was established to regulate casino gaming by the exclusive casino licensee. The Commonwealth Casino Commission has since organized and promulgated, on an emergency basis, regulations governing the conduct of casino gaming by the casino licensee and will continue its oversight responsibilities by adopting permanent regulations shortly. In so doing, the Commission has identified, and will continue to identify, areas where further legislation is required to enable the Commission to discharge its obligations to the people of the Commonwealth.

The Legislature finds and declares that this Act is necessary and is a proper use of the legislative power granted by Article II of the Commonwealth Constitution.

Section 2. Amendment. Section 2301 of Title Four of the Commonwealth Code is hereby amended as follows:

"§ 2301. Exclusion from Gambling Prohibition.

Casino gaming and wagering is authorized in the Commonwealth provided that such gaming and wagering occurs in the ~~casino~~ facilities of the casino operator licensee in the Commonwealth licensed pursuant to this chapter or in a ~~casino~~ facility licensed pursuant to the laws of a Senatorial District."

Section 3. Amendment. Section 2302(b) of Title Four of the Commonwealth Code is hereby amended as follows:

"(b) Funds received from the casino license fees described in 4 CMC § 2306 shall not be included in the Commonwealth general revenues ~~funds~~ and such ~~funds~~ amounts shall be appropriated pursuant to this chapter. Any unused funds at the end of fiscal year shall not lapse and shall be available without fiscal year limitation. Any other fee imposed by the Commonwealth Casino Commission shall not be considered a general revenue of the Commonwealth and shall be kept apart from the general revenues of the Commonwealth. Such additional license, regulatory and application fees collected shall be deposited into the Commonwealth Casino Commission Licence Fee revolving fund established by 1 CMC §2307(f) and any unused funds at the time of receipt of the next annual

license fees shall be transferred to a special account for appropriation by the Third Senatorial District Legislative Delegations. Such funds shall not lapse and shall be available without fiscal year limitation. The expenditure authority for the Commonwealth Casino Commission shall be the Chairman or his designee."

Section 4. Amendment. Section 2305 of Title Four of the Commonwealth Code is hereby amended by as follows:

"**§ 2305. Administrative Procedure.** Unless otherwise provided by law, any action taken by the Commonwealth Casino Commission, including the promulgation of any rule or regulation and the imposition of any civil penalty, shall be subject to the Administrative Procedure Act (1 CMC §§ 9101 *et seq.*)."

Section 5. Amendment. Section 2307(e) of Title Four of the Commonwealth Code is hereby amended as follows:

"(e) The Secretary of Finance shall establish and maintain a Commonwealth Casino Application Fee 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 Special Fund and expended by the Commonwealth Lottery Commission, without appropriation, for the investigation of license applicants pursuant to 1 CMC §2318 and any other costs associated with reviewing the applications and 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 Special Fund

after the issuance of the exclusive license shall be expended by the Commonwealth Casino Commission, without appropriation or fiscal year limitation for the operation, personnel, and all other expenses of the Commonwealth Casino Commission. for the first year. The expenditure authority for the Commonwealth Casino Commission shall be the Chairperson of the Commonwealth Casino Commission or his designee. The Secretary of Finance shall maintain records and account for the expenditures made from the Special Fund."

Section 6. Amendment. Section 2307 of Title Four of the Commonwealth Code is hereby amended by the addition of a new subsection as follows:

"(f) The Secretary of Finance shall establish and maintain a Commonwealth Casino Commission Casino Licensing Fee Special Fund and various sub-accounts as deemed advisable, to be kept separate and apart from the general funds of the Commonwealth government. The non-refundable application, regulatory, and renewal fees for casino employee licenses, casino key employee licenses, casino service provider licenses, machine and table licenses, and all other casino-related application fees, renewal fees, or casino-gaming related regulatory fees of any kind established by and charged by the Commission, shall be deposited in the revolving Commonwealth Casino Commission Licensing Fee Special Fund. Any funds at the end of fiscal year shall not lapse and shall be available without fiscal year limitation. Said amounts shall be expended by the Commission for the investigation and licensing of initial

and renewal applicants pursuant to the Regulations promulgated by the Commonwealth Casino Commission and to defray any other costs associated with the conduct of its operations including but not limited to the enforcement of public law 18-56, this Act, and the regulations promulgated thereunder. The expenditure authority shall be the Chairman of the Commission or his designee. The Secretary of Finance shall maintain records and account for the expenditures made from the Special Fund and at the end of the fiscal year report such expenditures to presiding officers of each house of the Legislature. When the Commission deems it necessary to conduct an investigation of a licensee or applicant for a license, the Commission may charge a fee to be paid by the licensee or applicant; such fee may be a non-refundable sum certain or the Commission may require that the licensee or applicant pay an estimated amount. If the Commission charges an estimated amount, the licensee or applicant must supplement the fee if the estimated amount falls short of actual costs of the investigation. Any overpayment may be refunded to the licensee or applicant."

Section 7. Amendment. Section 2313(b)(4) of Title Four of the Commonwealth Code is hereby amended as follows:

"(4) Each member shall serve a term of ~~four~~ six years, except that of the members first appointed, two shall serve a term of ~~two~~ four years, and three shall serve a term of ~~four~~ six years, which shall be determined by lottery at the first meeting of the Commission.

Section 8. Amendment. Section 2313(g) of Title Four of the Commonwealth Code is hereby amended as follows:

"(g) Compensation. Members of the Commission shall each be compensated at the rate of $40,000.00 for the first year of the Commission's existence. After the first year of the Commission's existence, Commissioners shall be compensated at ~~the hourly rate of $20.00 for official Commission meetings attended~~ the rate of $65,000.00 per annum. In addition, the Commissioners shall be reimbursed for their actual, necessary, and reasonable expenses incurred in the performance of their duties. All travel will be subject to 1 CMC §7407.

Section 9. Amendment. Section 2312(e) of Title Four of the Commonwealth Code is hereby amended as follows:

"(e) 'Casino service provider' means a person subject to licensing pursuant to this chapter that offers goods or services directly or indirectly related to casino gaming activities, including but not limited to such persons as gaming equipment manufacturers, importers, distributors, or repairers; schools that teach gaming, including playing, dealing, or other techniques; and casino security services, junket operators, and any other service provider or entity the Commonwealth Casino Commission requires to be licensed;"

Section 10. Amendment. Section 2314(b)(3) and (b)(11) of Title Four of the Commonwealth Code is hereby amended as follows:

"(3) The examination, supervision and monitoring of the continuing fiscal and financial capability of casino owners, operators, concessionaires and other parties with any direct or indirect relation to the sole casino operator licensee and to protect the public in the event that such capability is significantly diminished.

(11) The exclusion and removal of undesirable persons from the sole casino operator licensee's gaming facilities."

Section 11. Amendment. Section 2314 of Title Four of the Commonwealth Code is hereby amended by amending (h) and by the addition of subsections as follows:

"(h) The Commission shall not have the authority to issue license to the sole casino operator licensee. The power to issue amend and revoke such ~~sole casino operator~~ license lies with the Commonwealth Lottery Commission.

(i) To require and demand access to and inspect, examine, photocopy, and audit all papers, books and records of any casino service provider on its premises or elsewhere as practical, including inspecting the gross income produced by the provider's business and verification of their income, and all other matters affecting the enforcement of the Commission's policy or as required pursuant to this chapter.

(j) To conduct investigative hearings which may be conducted by one or more members with the concurrence of a majority of the Commission, or by a hearing examiner appointed by the Commission, with or without public notice, at

such times and places, within or without the Commonwealth, as may be convenient.

(k) Notwithstanding The Open Government and Records Act, 1 CMC §9901 et. seq. and any other provision of law, to determine which information in its possession, including but not limited to all forms, applications, contracts, security plans, lists, internal procedures of licensees, or documents of any kind, without regard to the manner of storage of the information, be it physical, electronic or otherwise, is unsuitable for public disclosure due to safety concerns or privacy concerns and to withhold the same from public inspection, copying or disclosure.

The Commission's determination that information is unsuitable for public inspection, copying or disclosure is not subject to judicial review.

(l) Notwithstanding The Open Government and Records Act, 1 CMC §9901 et. seq. and any other provision of law, to have the authority to determine which orders concerning the casino licensee or the holder of or applicant for any license granted by the Commission are unsuitable for public disclosure due to safety concerns or privacy concerns, and to withhold the same from publication in the Commonwealth Register; public inspection; public copying; or public disclosure. Any order of the Commission concerning the casino licensee or the holder of or applicant for any license granted or to be issued by the Commission which has been determined unsuitable for publication in the Commonwealth Register, public inspection, public copying or public disclosure is effective

against the licensee or applicant notwithstanding the lack of publication of the order. The Commission's determination that information is unsuitable for publication, public inspection, public copying or public disclosure is not subject to judicial review.

(m) Notwithstanding The Open Government and Records Act, 1 CMC §9901 et. seq. and any other provision of law, to determine which orders or directives involving the casino licensee or the holder of or applicant for any license granted by the Commission are unsuitable for adoption in a public meeting due to safety concerns or privacy concerns, and to discuss and/or adopt such order or directive in executive session of a duly noticed meeting or at a meeting of which notice has not been given.

(n) Notwithstanding any other provision of law, to impose charges and fees for all costs incidental to the review, redaction and copying by the Commission of documents subject to public inspection without regard to whether the document is merely inspected by the requestor or whether copies are requested. Such fees shall be retained for use by the Commission without fiscal year limitation or further appropriation. The expenditure authority for such funds shall be the Chairman or his designee.

(o) To summarily seize and remove from all premises wherein gaming is conducted or gambling devices or equipment is manufactured, sold, or distributed, and impound any equipment, supplies, documents or records for the purpose of examination and inspection.

(p) The Commission or any of its members has full power and authority to issue subpoenas and compel the attendance of witnesses at any place within the Commonwealth, to administer oaths, receive evidence, and to require testimony under oath. The Commission or any member thereof may appoint hearing examiners who may issue subpoenas, administer oaths, and receive evidence and testimony under oath. Any person making false oath in any matter before the Commission or its appointed hearing officer is guilty of perjury.

(q) The Commission may but need not pay transportation and other expenses of witnesses as it may deem reasonable and proper. The Commission may require any licensee or applicant which is the subject of the hearing to pay for all costs and expenses of said hearing, including the expenses of any witness.

(r) The Commission shall initiate regulatory proceedings or actions appropriate to enforce the provisions of the gaming laws of the Commonwealth and the regulations promulgated thereto, when appropriate shall, in conjunction with the Attorney General, sue civilly to enforce the provisions of the gaming laws of the Commonwealth and the regulations promulgated thereto, and may request that the Attorney General prosecute any public offense committed in violation of any provision of the gaming laws of the Commonwealth.

(s) To have sole jurisdiction to resolve disputes between patrons of a licensed casino and the licensee wherein the patron is attempting to collect a payout or other gaming debt. The Commission shall provide by regulation the procedures by which disputes are to be resolved and may impose charges and fees

therefore. Notwithstanding any other law to the contrary, the Commission's decisions on patron disputes may be reviewed by the Commonwealth Superior Court which may affirm the decision and order of the Commission or the hearing examiner, or it may remand the case for further proceedings, or reverse the decision only if the substantial rights of the petitioner have been prejudiced because the decision is:

(1) In violation of constitutional provisions;

(2) In excess of the statutory authority or jurisdiction of the Commission or the hearing examiner; or

(3) Unsupported by any evidence whatsoever.

(t) To have sole jurisdiction to determine whether a person or entity requires licensure or a finding of suitability in order to own, be employed by, receive revenue or profits (whether directly or indirectly) from, or do business with, a licensed casino. Further, the Commission shall have sole jurisdiction to determine whether a person or entity remains suitable in order to continue to own, be employed by, receive revenue or profits (whether directly or indirectly) from, or continue to do business with, a licensed casino. Notwithstanding any other law to the contrary, the Commission's decisions on licensure or finding of suitability may be reviewed by the Commonwealth Superior Court which may affirm the decision and order of the Commission or the hearing examiner, or it may remand the case for further proceedings, or reverse the decision only if the substantial

rights of the petitioner, applicant or license holder have been prejudiced because the decision is:

(1) In violation of constitutional provisions;

(2) In excess of the statutory authority or jurisdiction of the Commission or the hearing examiner; or

(3) Unsupported by any evidence whatsoever.

(u) The Commission shall have concurrent authority to determine the suitability of any location proposed for any portion of the operations of the casino operator licensee's operations in the Commonwealth. The Commission shall have the authority to require of developers, owners or financers completion bonds in any amount agreeable to the Commission prior to or during the construction of any facility that requires, or once completed will require, a license from the Commission. The Commission shall have the authority to require the casino licensee to obtain completion bonds in any amount deemed reasonable to the Commission and of such quality satisfactory to the Commission to ensure the completion of construction for any construction project built by, for, or in relation to the casino licensee's operations in the Commonwealth. The Commission may but need not regulate the interior design, security, cleanliness or sanitation of any portion of the operations of the casino operator licensee's operations in the Commonwealth or any facility which requires or has a license issued by the Commission regardless of the location of such facility.

(v) Notwithstanding The Open Government and Records Act, 1 CMC §9901 et. seq. and any other law to the contrary, due to the highly confidential and technical nature of the Commission's responsibilities, the Commission may have a working meeting and meet in an open or closed meeting, with or without notice, within or without the Commonwealth, to discuss and deliberate about any matter over which the Commission has jurisdiction. Final action shall occur in an open meeting after appropriate notice has been given the public, unless the Commission determines that the action should not occur in a public meeting due to safety concerns or privacy concerns, in which case final action may be taken in executive session of a properly noticed meeting or in a meeting, open or closed to the public, where no notice has been given.

(w) To approve the construction of the various phases of development of the operations of the casino operator licensee's operations in the Commonwealth and to allow gaming to commence at any time, and in such locations in Saipan, as the Commission deems appropriate. Notwithstanding the foregoing, the Commission shall not approve more than one live training facility of temporary duration and three permanent gaming facilities which may be located together or separately throughout Saipan and together shall be operated by the sole casino operator licensee.

(x) Notwithstanding any other provision of law, the Commonwealth Casino Commission shall have all oversight, responsibility, and authority necessary to assure compliance with this chapter, including but not limited to

authority over: timelines for construction, the commencement of operations, and achieving the minimum initial investment requirements. The Commission shall approve the casino operator licensee's set number of games, such as slot machines or gaming tables, either in total or by category, or by location.

(y) The Commission may exercise any proper power and authority necessary to perform the duties assigned to it by the Legislature, and is not limited by any enumeration of powers in this section."

Section 12. Amendment. Section 2315 of Title Four of the Commonwealth Code is hereby amended as follows:

A. Section 2315(c) is amended as follows:

"(c) The Executive Director shall be the head of the administration of the Commission, and subject to the general oversight and direction of the Commission, shall organize the work of the Commission in a manner that will ensure its efficient and effective operation and, subject to the budgetary authority, the Executive Director may hire and terminate such staff necessary, including legal counsel and other professionals, to carry out the purpose of the Commission. Such staff shall be exempt from the civil service. The Executive Director shall obtain such equipment, rent or build such additional office space, and generally make such regular office expenditure and acquisitions as necessary to establish and maintain a working office suitable for the Commission to effectively function pursuant to this chapter."

B. Section 2315(f) is amended as follows:

"(f) The Executive Director's annual salary shall be established by the Commission but in no event shall it exceed ~~$85,000.00~~ $100,000.00 per year. The Executive Director shall be reimbursed for actual, necessary, and reasonable expenses incurred in the performance of his or her duties as allowed by the Commission, but in any event not to exceed $25,000.00 in reimbursements per calendar year. All travel will be subject to 1 CMC §7407."

Section 13. Amendment. Section 2323(a) of Title Four of the Commonwealth Code is hereby amended as follows:

"**§ 2323. Gambling by Commission and Licensees Prohibited.**

(a) No member, officer, employee, or agent of the Commission shall play any game in or make any bet or wager:

(1) the casino under the jurisdiction of the Commission;

(2) any other gaming establishment reasonably associated with any such gaming establishment; ~~or~~

(3) any gaming establishment, the owner, lessee, operator, or manager of which is an applicant for a license from the Commission, or is a potential applicant that has entered into discussions with the Commission prior to such application and has not clearly abandoned its interest in a license, or is reasonably associated with such an applicant or potential applicant; unless such playing of games or making of bets or wagers is done in the course of the officer's, employee's, or agent's employment with the Commission."

Section 14. Amendment. Section 2324 of Title Four of the Commonwealth Code is hereby amended as follows:

"**§ 2324. Administrative Penalties.**

The Commission may, by regulation, provide civil penalties for the violation of this chapter or of any regulation or order issued pursuant to this chapter. No individual penalty may exceed $50,000, and a range of lesser penalties shall be provided for minor or intermediate violations. Such regulations may specify conditions under which a natural person who causes any other person to commit a violation (generally or for any specified type of transaction) shall also be liable for such violation. The Commission may suspend, reduce, or rescind any penalty imposed pursuant to this section and according to any and all due process protections. The Commission may amend or revoke the license granted to the casino operator by the Commonwealth Lottery Commission for operating in an unsuitable manner due to violations of law, breaches of the license or violations of the Regulations promulgated by the Commission."

Section 15. Amendment. Section 2208 of Title Six of the Commonwealth Code is hereby amended by the addition of a new subsection as follows:

"(k) For the purpose of this chapter, the Commonwealth Casino Commission Enforcement Division is considered to be a law enforcement division. Commission employees so designated by the Executive Director are deemed law enforcement officers with full authority to enforce Commonwealth

laws and shall have all the powers, authority, and benefits other law enforcement officers are accorded by law."

Section 16. Amendment. Section 4104 of Title Six of the Commonwealth Code is hereby amended with the addition of a new subsection as follows:

" (xx) If the probationer is convicted of any offense in any way related to or involving gambling, gaming, or wagering, the sentencing court may require, in addition to the conditions in subsections (a) (b) (c) and (d) of this section, that the probationer:

(1) Refrain from entering any casino, electronic gaming facility, pachinko parlor, or video poker facility;

(2) Meaningfully participate in and successfully complete one or more out-patient or inpatient programs authorized by the court for the treatment of problem gaming, alcohol abuse and/or substance abuse, in accordance with subsection (b) of this section.

(3) For the purposes of this section, by way of instruction and not by way of limitation, an offense is related to gambling, gaming or wagering if the offense was committed to obtain funds to be wagered or bet, or to obtain money for food or necessities due to a lack of money due to gambling, gaming or wagering."

Section 17. Amendment. Section 2201(b)(4) of Title Seven of the Commonwealth Code is hereby amended as follows:

"(4) "Employee" means an officer, elected or appointed official, exempted service, excepted service, classified or unclassified employee, or servant of a public entity, whether or not compensated, but does not include an independent contractor of the Commonwealth. Employee includes former employees of the Commonwealth. ~~Employee includes persons to whom 3 CMC § 2820 of the Commonwealth Healthcare Corporation Act of 2008 applies.~~ Members of the Commonwealth Casino Commission are not employees of the Commonwealth but shall be indemnified and defended as if they were employees of the Commonwealth."

Section 18. Amendment. The Commonwealth Code is amended by the addition of a new section which reads as follows:

"Notwithstanding any other law to the contrary, a holder of a casino employee or casino key employee license issued by the Commonwealth Casino Commission who is under 21 years of age but at least 18 years of age may possess and serve, but may not consume, alcohol in the course of the licensee's employment for which (s)/he is licensed."

Section 19. Amendment. The Commonwealth Code is hereby amended by the addition of a section as follows:

"**Order of court for release of confidential information: Procedure.** (a) An application to a court for an order requiring the Commission or its members or employees to release any information declared by law or regulation or Commonwealth Casino Commission Order to be confidential or otherwise

unsuitable for public copying, review or disclosure shall be made only upon motion in writing on 10 court days' written notice to the Commission, the Attorney General and all persons who may be affected by the entry of such order. Copies of the motion and all papers filed in support of it shall be served with the notice by delivering a copy in person or by certified mail to the last known address of the person to be served.

(b) The motion may not be granted over the Commission's objection unless the Court finds by clear and convincing evidence that the substantial rights of the requestor will be gravely prejudiced absent the release of the information, and that no other means to obtain the information sought exist from any other source or combination of sources within or without the Commonwealth. Mere monetary damage, no matter how great, is not grave prejudice to the substantial rights of the requestor.

(c) For the purposes of this section, a 'court day' is a day the Commonwealth Superior Court is open to hear cases and transact other business.

(d) Notwithstanding any other provision of law to the contrary, in any action to obtain information that the Commission has deemed confidential, or not subject to public inspection, review or copying, each side shall bear its own costs, fees and attorneys fees without regard to who is the prevailing party."

Section 20. Amendment. The Commonwealth Code is hereby amended by the addition of a section as follows:

"**Commonwealth Casino Commission and its agents deemed essential.** Notwithstanding any other provision of law, in the event of a budgetary or other fiscal crisis which necessitates a temporary closure of the nonessential commonwealth agencies of the Commonwealth the Commission and its agents shall be deemed to be essential employees and shall continue to perform their duties."

Section 21. Amendment. The Commonwealth Code is hereby amended by the addition of a section as follows:

"Inspections (a) The Commonwealth Casino Commission may inspect every game, gaming device, gambling device, poker amusement machine, pachinko slot machine, electronic gaming machine, and electronic table game which is manufactured, sold or distributed for use in the operations of the casino operator licensee's operations in the Commonwealth, before it is put into play and may inspect every game, gaming device, gambling device, poker amusement machine, pachinko slot machine, electronic gaming machine, and electronic table game which is offered for play or possessed by any person within the operations of the casino operator licensee's operations in the Commonwealth, by the gaming licensee, or by any other licensee or person.

(b) The Commission may inspect all associated equipment used with a game, gaming device, gambling device, poker amusement machine, pachinko slot machine, electronic gaming machine, or electronic table game, which is manufactured, sold or distributed for use in the operations of the casino operator

licensee's operations in the Commonwealth before the equipment or system is installed or used by a licensee or any other person as well as at any time while the licensee or any other person possesses or is using the equipment or system.

(c) The Commission may determine, charge and collect an inspection fee from each manufacturer, seller, distributor, casino gaming licensee, other licensee, or independent testing laboratory for the inspection of any game, gaming device, gambling device, poker amusement machine, pachinko slot machine, electronic gaming machine, electronic table game or associated equipment. Such fees shall be retained by the Commission for its operations and shall be available without fiscal year limitation or further appropriation. The expenditure authority for such funds shall be the Chairman or his designee."

Section 22. Amendment. The Commonwealth Code is hereby amended by the addition of a section as follows:

"**Contempt.** If any person in proceedings before the Commonwealth Casino Commission disobeys or resists any lawful order or refuses to respond to a subpoena, or refuses to take the oath or affirmation as a witness or thereafter refuses to be examined, or is guilty of misconduct during the hearing or so near the place thereof as to obstruct the proceeding, the Commission may certify the facts to the Commonwealth Superior Court where the proceedings are held. The court shall thereupon issue an order directing the person to appear before the court and show cause why the person should not be punished as for contempt. The court order and a copy of the statement of the Commission must be served on the

person cited to appear. Thereafter, the court has jurisdiction of the matter, and the same proceedings must be had, the same penalties may be imposed and the person charged may purge himself or herself of the contempt in the same way as in the case of a person who has committed a contempt in the trial of a civil action before the Superior court."

Section 23. Amendment. The Commonwealth Code is hereby amended by the addition of a new section as follows:

"**Chip use prohibited outside of Casino**. (a) Chips, tokens, wagering credits or instruments, or other instrumentalities approved by the Commonwealth Casino Commission are property of the licensee only. No chip, token, wagering credit or instrument, or other instrumentality approved by the Commonwealth Casino Commission may be used outside a licensed facility for any monetary purpose whatsoever. Value chips of $500 dollars or less may be accepted as payment for food or beverage in the gaming areas of the operations of the casino operator licensee's operations in the Commonwealth.

(b) The Casino Gaming Licensee shall not redeem its chips, tokens, wagering credits or instruments approved by the Commonwealth Casino Commission if presented by a person who the licensee knows or reasonably should know is not a patron of its gaming establishment, except that a licensee shall promptly redeem its chips, tokens, wagering credits or instruments approved by the Commonwealth Casino Commission if presented by an agent, employee or key employee of the licensee who presents the chips and tokens in the normal

course of employment. For the purpose of this section, "normal course of employment" includes, but is not limited to, gratuities. The Casino Gaming Licensee shall redeem its chips, tokens, wagering credits or instruments approved by the Commonwealth Casino Commission if presented by an agent of the Commission in the performance of his official duties or on behalf of another governmental agency.

(c) Any person who violates this section is guilty of a misdemeanor and may be imprisoned for no more than one year, fined no more than two thousand dollars ($2,000), or both."

Section 24. Amendment. The Commonwealth Code is hereby amended with the addition of a new section as follows:

"**(xx) Malfunctions.** (a) When wagering, gambling, gaming or in any way using any gambling machine, gaming machine, electronic gaming machine, pachinko game, or poker amusement machine regulated by the Commonwealth Casino Commission, any malfunction of the machine (either hardware or software) voids all plays and pays."

Section 25. Amendment. The Commonwealth Code is hereby amended by the addition of a new section as follows:

"Section 1. Restriction on use of public assistance. (a) No welfare type (either federal or local) assistance which is based on the recipient's low-income status such as low-income-housing provided by Federal Government and administered by the Northern Marianas Housing Corporation, food stamp

programs, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), or the like shall be expended, bartered, or in any way cashed in or used in any establishment regulated by the Commonwealth Casino Commission.

(b) No entity regulated by the Commonwealth Casino Commission shall accept as payment or for any other purpose, any welfare type (either federal or local) assistance which is based on the recipient's low-income status such as low-income-housing provided by Federal Government and administered by the Northern Marianas Housing Corporation, food stamp programs, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), or the like.

(c) No entity regulated by the Commonwealth Casino Commission shall exchange for cash or credit on its premises any welfare type (either federal or local) assistance which is based on the recipient's low-income status such low-income-housing provided by Federal Government and administered by the Northern Marianas Housing Corporation, food stamp programs, Supplemental Nutrition Assistance Program (SNAP) programs Temporary Assistance for Needy Families (TANF), or the like.

(d) Any violation of this section may result in imprisonment for not more than 15 days, a fine up to $250, or both. Any establishment licensed by the Commonwealth Casino Commission which violates this section may be fined up to $2,500."

Section 26. Amendment. The Commonwealth Code is hereby amended by the addition of a new section as follows:

"**§ xxx. Enforcement.** (a) The Enforcement Division, a division of the Commonwealth Casino Commission, shall have the primary responsibility and authority to enforce the provisions of the gaming laws of the Commonwealth, including but not limited to Public Law 18-56 as amended, this Act and the regulations promulgated thereunder. This authority shall be concurrent with the authority of any other law enforcement agency as provided by law.

(b) Any agent who is authorized by the Executive Director of the Commonwealth Casino Commission to enforce the provisions of the casino and gaming laws of the Commonwealth, including but not limited to Public Law 18-56, this Act and the regulations promulgated thereunder may: (1) Arrest any person, if there exists probable cause to believe that such person committed an act in violation of the casino and gaming laws and regulations of the Commonwealth;

(2) Seize any evidence related to any violation of any provision of the casino and gaming laws and regulations of the Commonwealth;

(3) Execute any warrant or other process issued by a court of competent jurisdiction.

(c) If the Commonwealth Casino Commission enters into a mutual agreement with any other casino or gaming commission established by local law or referendum within the CNMI which provides for the rendering of assistance, any agent who is authorized by the Executive Director of the Commonwealth

Casino Commission to enforce the provisions of the casino and gaming laws of the Commonwealth, including but not limited to Public Law 18-56, this Act and the regulations promulgated thereunder may assist the other local commission in the enforcement of the local laws and regulations promulgated thereunder. Such assistance is hereby declared to be within the scope of the Casino Commission agent's jurisdiction and duties as a law enforcement officer of the Commonwealth.

(d) If the Commonwealth Casino Commission enters into a mutual agreement with any other law enforcement agency which provides for the rendering of assistance, any agent who is authorized by the Executive Director of the Commonwealth Casino Commission to enforce the provisions of the casino and gaming laws of the Commonwealth, including but not limited to Public Law 18-56, this Act and the regulations promulgated thereunder may assist the other law enforcement agency in the enforcement of the laws and regulations enforced by the other law enforcement agency. Such assistance is hereby declared to be within the scope of the Casino Commission agent's jurisdiction and duties as a law enforcement officer of the Commonwealth."

Section 27. Amendment. The Commonwealth Code is hereby amended by the insertion of the following Section as follows:

"Notwithstanding any other law to the contrary, no person may obtain a lien on any machine or part thereof which is regulated by the Commonwealth

Casino Commission unless that person first obtains a license from the Commonwealth Casino Commission."

Section 28. The Commonwealth Code is hereby amended by the insertion of the following Section as follows:

"**Regulations.** The Commonwealth Casino Commission is authorized to promulgate any regulation it deems necessary to implement the intent and requirements of this Act, including but not limited to the regulation of the operations, employees, owners, machines, facilities, service providers, and any person or organization who profits directly or indirectly from the casino or the operations of the casino operator licensee's operations in the Commonwealth which require licensure from the Commonwealth Casino Commission. The Commission may set and charge fees therefore, and may establish penalties for the violation of said regulations which may include monetary penalties and license amendment, termination, revocation or any other sanction the Commission deems just.'

Section 29. Severability. If any provisions of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 30. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or

acquired under statutes repealed or under any rule, regulation, or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of the Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence on the date this Act becomes effective.

Section 31. Effective Date. This Act shall take effect upon its approval by the Governor, or its becoming law without such approval

Prefiled: 8/25/15

Date: 8/25/15 Introduced By: _____

Reviewed for Legal Sufficiency by:

_____
House Legal Counsel