



TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

# HOUSE OF REPRESENTATIVES

## COMMITTEE ON JUDICIARY AND GOVERNMENTAL OPERATIONS

P.O. BOX 500586 SAIPAN, MP 96950

**JOEL C. CAMACHO**  
CHAIRPERSON

STANDING COMMITTEE REPORT NO. 24-31  
DATE: August 21, 2025  
RE: HOUSE BILL No. 24-37

The Honorable Edmund S. Villagomez  
Speaker of the House of Representatives  
Twenty-Fourth Northern Marianas  
Commonwealth Legislature  
Capitol Hill  
Saipan, MP 96950

Dear Mr. Speaker:

Your Committee on Judiciary and Governmental Operations to which was referred:

**House Bill No. 24-37:** “To suspend the operations of the Commonwealth Casino Commission; to transfer casino regulatory functions to the Commonwealth Lottery Commission on an interim basis; to establish a Division of Gaming within the Department of Finance; and for other purposes.”

begs leave to report as follows:

### **I. RECOMMENDATION:**

After considerable discussion, your Committee recommends that the House file House Bill No. 24-37.

TO THE CLERK'S OFFICE  
RECEIVED BY *SM*  
DATE 7/5/2025 TIME 11:02AM

## II. ANALYSIS:

### A. Purpose:

The purpose of House Bill No. 24-37 is to suspend the Commonwealth Casino Commission's operations, temporarily transfer its regulatory duties to the Commonwealth Lottery Commission, and create a Division of Gaming within the Department of Finance.

### B. Committee Findings:

Your Committee finds that Public Law 18-56, which established the Commonwealth Casino Commission (CCC), remains in full force because it has not been repealed, amended, or superseded by any law. The CNMI Constitution vests the Legislature with the sole authority to modify statutory agencies; executive orders cannot override or suspend statutes without explicit legislative authorization. As no legislative action has altered the CCC's legal standing, its powers, responsibilities, and obligations remain legally binding.

Your Committee also finds that exceeding the bounds of executive authority poses risks to government stability and may lead to legal challenges. While the Governor has limited power under Article III, Section 15 to reorganize the executive branch, this does not extend to creating, dissolving, or fundamentally altering statutory entities. Executive Order 2025-02, which seeks to remove the CCC's commissioners, transfer regulatory powers to the Lottery Commission, and alter its operations, exceeds constitutional limits and infringes upon the Legislature's authority, rendering such actions legally flawed.

Finally, your Committee finds that changing casino regulatory authority must be done through legislation. Regarding House Bill No. 24-37, during the August 21, 2025, meeting of the Judiciary and Governmental Operations Committee, members unanimously agreed that revisions were necessary to address conflicts concerning the CNMI Department of Finance and the Secretary of Finance's roles in light of Executive Order No. 2025-02. Therefore, the Committee recommended that House Bill No. 24-37 be filed with the House, with the intent to introduce a revised and updated version of the legislation for consideration at a later date.

### E. Public Comments/Public Hearing:

On July 29, 2025, the Committee received comments from the following:

- Edward C. DeLeon Guerrero, Chairman of CCC

"The Commission has completed its review of H.B. 24-37. At the outset, the Commission does not support this bill at this time and provides the following comments:

Section 1. Findings and Purpose. The Commission agrees with the Findings that the Executive Order 2025-02 is unlawful and unconstitutional. Furthermore, the CCC has serious concerns about the intent to transfer casino regulatory functions to the Commonwealth Lottery Commission on an interim basis until the Governor reactivates it through another Executive Order and creating a new Division of Gaming within the Department of Finance to assume the duties and functions of the CCC. The timing of this Bill is inappropriate in light of the impending action by the Commission to conduct due diligence of the new casino operator.”

Comments received have been attached as part of this committee report.

E. Legislative History:

On July 14, 2025, Representative Marissa R. Flores introduced House Bill No. 24-37, which was subsequently referred to the House Standing Committee on Judiciary and Governmental Operations for disposition.

F. Cost Benefit Analysis:


The enactment of House Bill No. 24-37 will likely incur additional costs for the CNMI Government related to the suspension, transfer, and establishment of regulatory entities outlined in the bill. These costs may include administrative expenses associated with repealing and suspending the existing Commonwealth Casino Commission, transferring its regulatory functions to the Commonwealth Lottery Commission, and establishing the new Division of Gaming within the Department of Finance. Moreover, there will be expenses related to personnel transfers, potential hiring of qualified staff, development of new regulations, and the implementation of transition plans. While some costs may be offset by operational efficiencies and improved regulatory oversight, the initial and transitional expenditures could pose a financial burden on the government’s budget. However, these costs are justified by the anticipated benefit of establishing a more streamlined, effective, and constitutionally compliant casino regulation framework that aims to promote economic stability and regulatory integrity in the CNMI.

**III. CONCLUSION:**

Based on thorough deliberation, your Committee concludes that House Bill No. 24-37 should be filed by the House to address the ongoing need for a lawful and effective casino regulatory framework in the CNMI.

Respectfully submitted,


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Rep. Joel Camacho, Chairman  
Chairman

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Rep. Blas Jonathan "BJ" T. Attao  
Vice Chairman


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Rep. Vincent S. Aidan, Member

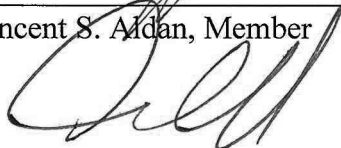
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Rep. Daniel I. Aquino Jr., Member

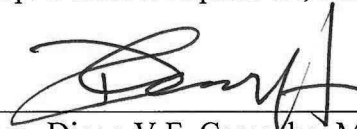
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Rep. Angelo A. Camacho, Member

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Rep. Diego V.F. Camacho, Member

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Rep. Marissa R. Flores, Member


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Rep. Joseph A. Flores, Member

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Rep. Julie A. Ogo, Member

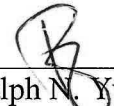
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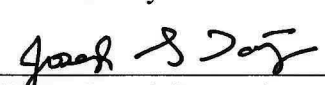
Rep. John Paul P. Sablan, Member

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Rep. Ralph N. Yumul, Member

Reviewed by:  


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House Legal Counsel

Date: 8-26-25

Attachments:

- Edward C. DeLeon Guerrero, Chairman, CCC Letter dated July 29, 2025



COMMONWEALTH CASINO COMMISSION  
Commonwealth of the Northern Mariana Islands  
Unit 13 & 14, Springs Plaza, Chalan Pale Arnold, Gualo Rai  
P.O. Box 500237, Saipan, MP 96950  
E-mail: commissioner.edlg@gmail.com



Edward C. DeLeon Guerrero, Chairman  
Rafael S. Demapan, Vice Chairman  
Mariano Taitano, Secretary  
Thomas A. Mangiona, Treasurer/Public Affairs

July 29, 2025

The Hon. Joel C. Camacho  
Chairman, House Standing Committee on Judiciary  
And Governmental Operations  
House of Representatives  
24<sup>th</sup> NMI Legislature  
P.O. Box 500586  
Saipan, MP 96950

*RE: Comments on House Bill No. 24-37*

Dear Chairman Camacho:

Greetings from the Commonwealth Casino Commission ("Commission or CCC")!

The Commission is in receipt of your letter, dated July 16, 2025, requesting for our comments in reference to House Bill #24-37, *"To suspend the operations of the Commonwealth Casino Commission; to transfer casino regulatory functions to the Commonwealth Lottery Commission on an interim basis; to establish a Division of Gaming within the Department of Finance; and for other purposes"*.

The Commission has completed its review of H.B. 24-37. At the outset, the Commission does not support this bill at this time and provides the following comments:

**Section 1. Findings and Purpose.** The Commission agrees with the Findings that the Executive Order 2025-02 is unlawful and unconstitutional. Furthermore, the CCC has serious concerns about the intent to transfer casino regulatory functions to the Commonwealth Lottery Commission on an interim basis until the Governor reactivates it through another Executive Order and creating a new Division of Gaming within the Department of Finance to assume the duties and functions of the CCC. The timing of this Bill is inappropriate in light of the impending action by the Commission to conduct due diligence of the new casino operator.

**Section 2. Repealer and Suspension of the Commonwealth Casino Commission.** The CCC recommends that the legislature allow the CCC to continue under the current setup for the next nine months to complete the investigation, probity review, and other due diligence on the new casino operator [Team King (CNMI), LLC] to determine their suitability and to complete the

casino license transfer. After the due diligence is completed and the casino license is properly transferred to the new operator, the Legislature can revisit HB #24-37.

Section 2 B should be deleted and remove references to CCC Commissioners being terminated for “cause” as removal for cause has constitutional and statutory elements that are not present. Three of the current four Commissioner’s term of office will expire anyway on April 30, 2026.

**Section 3. Amendment.** This Section proposes to transfer all of CCC’s regulatory functions, files, investigations, and authorities to the Lottery Commission on an interim basis. Section 3 (h) appears to grant the Lottery Commission the interim authority **until the CCC is reactivated by Executive Order or by statute** or joint resolution. HB #24-37 is a self-defeating exercise and only delays and frustrate current efforts to reactivate the casino gaming on Saipan.

**Section 4. Amendment.** This Section proposes to create a new Division of Gaming to be headed by a Director within the Department of Finance to serve as the primary regulatory agency for casino operations **and gaming-related activities** in the Commonwealth upon full implementation which is mandated to occur not later than 24 months from the effective date of the Act.

The CCC feels that your Committee should consider the following issues and concerns as it continues deliberating on how best to move forward with our gaming industry:

- **Consolidation of All Gaming Activities Under One Regulatory Body.** The new Division of Gaming should be authorized to regulate **all** gaming operations including casino gaming, poker gaming operations, e-gaming and perhaps even lottery. The new Division of Gaming should be responsible for regulating strictly gaming activities only. Alternatively, the CCC should be authorized and funded locally to regulate poker, e-gaming, and lottery.
- **Compensation of Employees.** The legislature should examine how to provide local funding for all the employees of the Division of Gaming to include salaries and benefits. P.L. 19-24 authorized the assessment on the casino operator a Casino Regulatory Fee at a flat fee of \$3 million dollars annually due on October 1<sup>st</sup> of each year with a 5% increase every five years. If the new Division of Gaming’s funding for personnel compensation is consolidated with the poker, e-gaming and lottery, P.L. 19-24 might be problematic as the casino operator might disagree and object to paying for non-casino regulatory employees. This will further stress the limited local funding.
- **Non-Gaming Activities.** P.L. 18-56 was the CNMI’s first true experiment with integrated resort requiring the casino operator to invest a minimum of \$2 billion dollars and construct a minimum of 2,000 new hotel rooms of 5-star quality, convention center, entertainment themes, waterparks, and related amenities. Who would be responsible to regulate and provide the oversight for the casino operator’s employees, construction of hotels and facilities, and related non-gaming activities? If you look at the history of IPI, you will quickly notice that almost all of their violations involved Labor (mostly for non-payment

of salaries & wages), construction and other OSHA violations, and related offenses. The Department of Labor is responsible for labor and OSHA violations, The Department of Public Works manages and regulates the Building Code and other issues involving Building Occupancy Permit. The Department of Public Health oversees the Food Handler certifications. The Department of Finance handles assessment and collection of taxes and fees. The Fire Department regulates the fire permits. The Department of Commerce handles the Alcohol and Tobacco permits. The CCC was never the enforcement agency for these activities but gets the blame for all of IPI's violations. The CCC regulates the gaming portion of P.L. 18-56 and P.L. 21-38. Therefore, if HB #24-37 is expected to succeed, the new Division of Gaming should not be expected to regulate the non-gaming portions of this industry.

- **Administrative Procedures Act.** This Act guarantees due process to any entity who is subjected to adverse actions by the government. When IPI violates any law, regulations, or orders, the CCC Executive Director will normally issue a Notice of Violation which must be corrected within 15 days of the Complaint or request for an evidentiary hearing. IPI requested for a hearing which was provided by the CCC Commissioners with the assistance of the OAG Civil Division. How is the new Division of Gaming expected to implement the Administrative Procedures Act under the various regulations?
- **Commissioner's Term of Office.** The Term of Office for the three of the existing four Commissioners will expire on April 30, 2026 or about nine months from today. Commissioners serve only one term. It makes sense to allow the current commissioners to complete the vetting process of the new casino operator and then make the necessary amendments to the casino law.

Currently, the Third Senatorial District has a casino. As long as the term of the exclusive Casino License has not expired and the CCC has yet to revoke the license, the casino then continues to exist. I also find it totally odd that the Representative who introduced HB #24-37 argues in the bill's Findings that Executive Order 2025-02 is unconstitutional and unlawful and that it is an executive overreach and "exceed constitutional boundaries and encroach on legislative authority" and that "Legislative action is the only constitutionally sound mechanism for achieving such reform". Yet, the same member of your Committee argues passionately to violate the Constitution and laws of the Commonwealth by voting to approve Executive Order 2025-02.

As noted in our previous communications on this matter, all of the CCC staff underwent extensive training in their area of responsibility from the University of Nevada in Las Vegas (International Institute of Gaming) and other training venues to enable the CCC to effectively regulate the casino industry. One of CCC's most important regulatory duties was to assure that the operator was in full compliance with the gaming regulations and with the Minimum Internal Control Standards ("MICS"). The MICS outlines the "Standard Operating Procedures" for each phase of the casino operations and activities to include drops & count procedures, cash & credit procedures, casino accounting, internal audit, casino case management system, security, surveillance, and many other

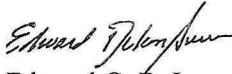
critical functions of the operator. The training included compliance with the federal Title 31, the Bank Secrecy Act (anti-money laundering and anti-terrorism financing act). In short, the CCC is the most trained and capable entity to regulate our casino industry and should be allowed to initiate and complete the vetting process of the new casino operator.

In closing, the CCC wants to respectfully reiterate our earlier requests for the House of Representatives to reject Executive Order 2025-02 before August 1, 2025 pursuant to your Constitutional authority as vested under Article II, Section 1, and Article III, Section 15 of the Commonwealth Constitution. If the Legal Counsels of both Houses of the Legislature have given their legal opinions that Executive Order 2025-02 is unlawful and unconstitutional, then your Committee must recommend rejection of the said Executive Order to the full house.

**For the reasons stated above, the Commonwealth Casino Commission does NOT support HB #24-37 at this time.** If you need additional information or want to discuss this matter further, please feel free to contact the Casino Commission at your convenience.

Thank you for the opportunity to comment on HB #24-37 and look forward to working with your Committee on other gaming legislation.

Sincerely,



Edward C. DeLeon Guerrero  
Chairman

cc: Honorable David Apatang, Governor, Office of the Governor  
Honorable Edmund Villagomez, Speaker, House of Representatives  
Honorable Ralph Yumul, Chairman, House Committee on Gaming  
Commissioners, Commonwealth Casino Commission  
File

JED 3  
GAMING  
7/18/2025

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH  
LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

July 14, 2025

44<sup>th</sup> SPC Session, 2025

H. B. 24-37

A BILL FOR AN ACT

To suspend the operations of the Commonwealth Casino Commission; to transfer casino regulatory functions to the Commonwealth Lottery Commission on an interim basis; to establish a Division of Gaming within the Department of Finance; and for other purposes.

BE IT ENACTED BY THE 24<sup>TH</sup> NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:

- 1           **Section 1. Findings and Purpose.** Public Law 18-56, which established the  
2 Commonwealth Casino Commission (CCC), remains in full force and effect  
3 because it has not been repealed, amended, or superseded by any valid legislative  
4 act. Under the CNMI Constitution, statutory agencies may only be altered by the  
5 Legislature. Executive orders cannot nullify an enabling statute or suspend its  
6 operation unless such authority is expressly granted by law. Since no such  
7 legislative action has occurred, the CCC's legal status, powers, and regulatory  
8 obligations continue to exist and must be observed as binding law.
- 9           Overextension of executive authority risks institutional instability and legal  
10 challenge. While the Governor has authority under Article III, Section 15 to

1 reorganize functions within the executive branch, this power does not extend to the  
2 creation or abolition of statutory entities. Executive Order 2025-02 attempts to  
3 terminate the CCC's commissioners, transfer its regulatory powers to the Lottery  
4 Commission, and redefine its operational framework—actions that exceed  
5 constitutional boundaries and encroach on legislative authority.

6         While the policy rationale underlying the Executive Order has merit—  
7 namely, the need to address an inactive commission and prevent regulatory  
8 paralysis—its execution is flawed. By attempting to restructure or suspend a  
9 statutory body through executive directive alone, the order lacks legal foundation  
10 and introduces contradictions between agency mandates, personnel qualifications,  
11 and lines of authority. Legislative action is the only constitutionally sound  
12 mechanism for achieving such reform.

13         Enabling statutes cannot be sidestepped through implied powers. The  
14 CNMI Supreme Court has made clear in *Torres v. Commonwealth* and *Sonoda v.*  
15 *Cabrera* that the Governor may not rewrite or render ineffective laws duly enacted  
16 by the Legislature. Even if the Legislature does not formally disapprove an  
17 executive order within the 60-day window, constitutional violations are not cured  
18 by inaction. Silent acquiescence does not confer legislative power on the executive  
19 branch.

20         Realignment of casino regulatory authority must therefore proceed through  
21 statute. This Act provides for an orderly transition from the CCC to a more durable

1 long-term framework by: (1) authorizing the Lottery Commission to serve as the  
2 interim regulator; and (2) establishing a Division of Gaming within the Department  
3 of Finance. These reforms are grounded in law, preserve agency accountability, and  
4 ensure that the Commonwealth's regulatory architecture complies with  
5 constitutional requirements.

6 **Section 2. Repealer and Suspension of the Commonwealth Casino**  
7 **Commission.**

8 Notwithstanding any law to the contrary, all statutory provisions established  
9 under Public Law 18-56 and codified at 4 CMC §§ 2301–2309 directly and  
10 indirectly relating to the operations, powers, duties, and regulatory authority of the  
11 Commonwealth Casino Commission, established under Public Law 18-56 and  
12 codified at 4 CMC §§ 2301–2309, are hereby repealed and suspended as of the  
13 effective date of this Act and the following provisions shall take immediate effect:

14 A. The Commission shall remain legally constituted but inactive  
15 and shall not exercise any regulatory, licensing, investigatory, or  
16 enforcement powers unless reactivated by Executive Order  
17 issued by the Governor or by a future act of the Legislature. Any  
18 Executive Order reactivating the Commission shall be submitted  
19 to the Legislature within five calendar days and shall take effect  
20 unless modified or disapproved by legislative resolution within  
21 sixty days of submission.

1 B. All current members of the Commonwealth Casino Commission  
2 are hereby terminated for cause as of the effective date of this  
3 Act, unless otherwise provided for in Executive Order No. 2025-  
4 002.

5 C. All regulatory functions, files, investigations, and authorities  
6 formerly exercised by the CCC shall be transferred to the  
7 Commonwealth Lottery Commission in accordance with  
8 Section 3 of this Act.”

9 **Section 3. Amendment.** Title 4: Economic Resources; Division 2:  
10 Tourism, Gaming and Entertainment; Chapter 1: Commonwealth Lottery Act,  
11 Section 1503 Powers and Duties of the Commission, is hereby amended by adding  
12 the following new subsections (e) to (h):

13 “(e) The Lottery Commission shall, on an interim basis,  
14 assume all regulatory, licensing, and enforcement responsibilities  
15 formerly held by the Commonwealth Casino Commission,  
16 including those related to casino operations, gambling licenses,  
17 regulatory investigations, and enforcement actions.

18 (f) The Lottery Commission is authorized to promulgate  
19 rules and regulations necessary to implement the regulatory  
20 functions transferred by this Act, notwithstanding the original scope  
21 of its authority under existing law.

1 (g) The Lottery Commission may retain or contract qualified  
2 personnel to carry out specialized regulatory oversight related to  
3 casino gaming, subject to available appropriations.

4 (h) Nothing in this Act shall be construed to expand the  
5 permanent statutory role of the Lottery Commission beyond the  
6 interim period authorized herein. The Lottery Commission shall  
7 serve as the interim regulatory body for all casino-related activities  
8 unless and until the Commonwealth Casino Commission is  
9 reactivated by Executive Order or by statute or joint resolution.

10 **Section 4. Amendment.** Title 1: Government; Division 2: Executive  
11 Branch; Part I: Administration; Chapter 1: Department of Finance, is hereby  
12 amended by adding a new Section 2151 to read as follows:

13 **“§ 2151. Division of Gaming.**

14 (a) There is hereby established within the Department of Finance a  
15 Division of Gaming, which shall serve as the primary regulatory  
16 agency for casino operations and gaming-related activities in the  
17 Commonwealth upon full implementation.

18 (b) The Division of Gaming shall be headed by a Director appointed  
19 by the Secretary of Finance, subject to confirmation by the Senate.  
20 The Director shall possess regulatory, financial, or legal experience  
21 in gaming operations or oversight.

1 (c) The Division of Gaming shall assume all regulatory, licensing,  
2 enforcement, and investigatory duties related to casino gaming  
3 currently vested in the Commonwealth Lottery Commission,  
4 effective upon a transition date set by the Governor by Executive  
5 Order or by legislative act. This date shall not be later than 24  
6 months from the effective date of this Act.

7 (d) The Secretary of Finance, in coordination with the Lottery  
8 Commission, shall develop a transition plan within 120 days of the  
9 effective date of this Act to ensure orderly transfer of personnel,  
10 records, and regulatory functions to the Division of Gaming.

11 (e) Nothing in this Act shall be construed to limit or impair the  
12 authority of the Governor to accelerate the creation and  
13 operationalization of the Division of Gaming by Executive Order,  
14 provided such order is transmitted to the Legislature and not  
15 disapproved by resolution within sixty days.”

16 **Section 5. Severability.** If any provisions of this Act or the application of  
17 any such provision to any person or circumstance should be held invalid by a court  
18 of competent jurisdiction, the remainder of this Act or the application of its  
19 provisions to persons or circumstances other than those to which it is held invalid  
20 shall not be affected thereby.

1           **Section 6. Savings Clause.** This Act and any repealer contained herein  
2 shall not be construed as affecting any existing right acquired under contract or  
3 acquired under statutes repealed or under any rule, regulation, or order adopted  
4 under the statutes. Repealers contained in this Act shall not affect any proceeding  
5 instituted under or pursuant to prior law. The enactment of the Act shall not have  
6 the effect of terminating, or in any way modifying, any liability, civil or criminal,  
7 which shall already be in existence on the date this Act becomes effective.

8           **Section 7. Effective Date.** This Act shall take effect upon its approval by  
9 the Governor, or it becoming law without such approval.

Prefiled: 7/10/2025

Date:

Introduced by: \_\_\_\_\_

Rep. Marissa R. Flores

Reviewed for Legal Sufficiency by:

Joseph S. Saye 7/10/25  
House Legal Counsel

