

**TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH  
LEGISLATURE**

**IN THE HOUSE OF REPRESENTATIVES**

\_\_\_\_\_ Session, 2025

H. B. 24-37

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**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3 because it has not been repealed, amended, or superseded by any valid legislative  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. Sany 7/10/25  
House Legal Counsel

