

Arnold I. Palacios
Governor



GOV. COMM. 2422
(HOUSE)

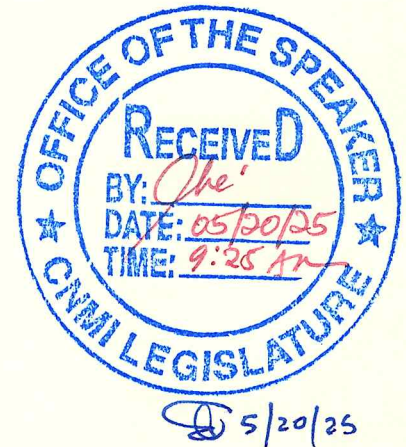
David M. Apatang
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

19 MAY 2025

GOV2025-418

The Honorable Jude U. Hofschneider
Chairman
Tinian and Aguiguan Legislative Delegation
Twenty-Fourth Northern Marianas Commonwealth Legislature
Saipan, MP 96950



The Honorable Dennis James C. Mendiola
President
The Senate; Twenty-Fourth Northern
Marianas Commonwealth Legislature
Saipan, MP 96950

Dear Mr. Chairman and Mr. President:

This is to inform you that pursuant to the override action taken by the Senate during its First Day, Second Special Session on May 09, 2025 and the House of Representatives during its First Day, Second Special Session on May 15, 2025 of the Twenty-Fourth Northern Marianas Commonwealth Legislature has enacted **Senate Local Bill No. 24-1, D1** entitled, "To amend the Tinian Local Law 21-09 to provide for regulatorily compliant internet gaming; to authorize the establishment of the Tinian Stable Token; and for other purposes," has become **Tinian Local Law No. 24-03**. Copies of this law are forwarded for your reference.

Sincerely,

ARNOLD I. PALACIOS
Governor

RECEIVED BY
DATE TIME 10:35 AM

cc: Lieutenant Governor; Speaker of the House of Representatives;
Attorney General; Commonwealth Law Revision Commission;
Public Auditor; Secretary of Finance; Mayor of Tinian and Aguiguan;
Acting Special Assistant for Administration; Programs and Legislative Review Office

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TINIAN AND AGUIGUAN LEGISLATIVE DELEGATION
Second Senatorial District
Twenty-Fourth Northern Marianas Commonwealth Legislature

Senator Jude U. Hofschneider, Chairman
Senator Francisco Q. Cruz, Vice Chair

Representative Patrick H. San Nicolas, Floor Leader
Senator Karl R. King-Nabors, Legislative Secretary

May 19, 2025

The Honorable Arnold I. Palacios
Governor
Commonwealth of the Northern Mariana Islands
Honorable Juan A. Sablan Memorial Building
Capitol Hill
Saipan, MP 96950

Dear Governor Palacios:

This is to inform you that the Twenty-Fourth Northern Marianas Commonwealth Legislature repassed **Senate Local Bill No. 24-1, D1**, entitled, "To amend the Tinian Local Law 21-09 to provide for regulatorily compliant internet gaming; to authorize the establishment of the Tinian Stable Token; and for other purposes.", by an affirmative vote of Two-Thirds (2/3) of each house.

Seante Local Bill No. 24-1, D1, is now law. Please inform us of the Local Law number assigned to this Act.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Frances", written over the printed name.

Frances Joan P. Kaipat
Delegation Clerk

Enclosure



HOUSE OF REPRESENTATIVES

Honorable Jesus P. Mafnas Memorial Building

Capitol Hill

Saipan, MP 96950

cnmileg.net

May 16, 2025

The Honorable Arnold I. Palacios
Governor
Commonwealth of the Northern
Mariana Islands
Capitol Hill
Saipan, MP 96950

Dear Governor Palacios:

This is to inform you that the House of Representatives during its First Day, Second Special Session on May 15, 2025 overrode your veto of **S. L. B. No. 24-01, D1**, entitled, "To amend the Tinian Local Law 21-09 to provide for regulatorily compliant internet gaming; to authorize the establishment of the Tinian Stable Token; and for other purposes.", with the affirmative vote of two-thirds (2/3) of the members of the House of Representatives.

Sincerely yours,


Linda B. Muña, MPA
House Clerk

Attachment



THE SENATE
Twenty-Fourth Northern Marianas Commonwealth Legislature
P. O. Box 500129
Saipan, MP 96950

May 16, 2025

The Honorable Arnold I. Palacios
Governor
Commonwealth of the Northern Mariana Islands
Saipan, MP 96950

Dear Governor Palacios:

The Senate, Twenty-Fourth Northern Marianas Commonwealth Legislature, on May 09, 2025 voted in accordance with Article II, Section 7(c) of the CNMI Constitution to override by the affirmative vote of two-thirds (2/3) of the members the veto of S.L.B No. 24-01, D1, entitled, "To amend TLL 21-09 to provide for regulatorily compliant internet gaming; to authorize the establishment of the Tinian Stable Token; and for other purposes; and for other purposes."

Sincerely,

A handwritten signature in blue ink, appearing to read "Dolores S. Bermudes".

Dolores S. Bermudes
Senate Clerk

Attachment

Arnold I. Palacios
Governor



David M. Apatang
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

April 11, 2025

GOV2025-364

The Honorable Jude U. Hofschneider
Chairman
Tinian and Aguiguan Legislative Delegation
Twenty-Fourth Northern Marianas Commonwealth Legislature
Saipan, MP 96950

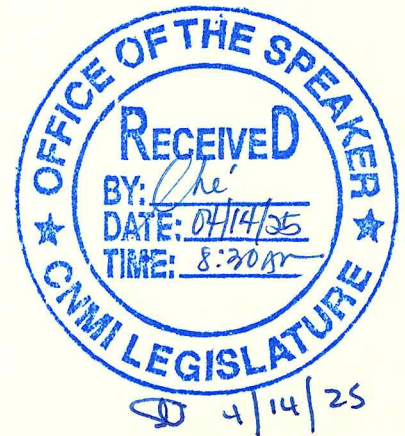
The Honorable Dennis James C. Mendiola
President
The Senate; Twenty-Fourth Northern
Marianas Commonwealth Legislature
Saipan, MP 96950

Dear Mr. Chairman and Mr. President:

This is to inform you that I have vetoed **Senate Local Bill No. 24-01, D1**, entitled "To amend the Tinian Local Law 21-09 to provide for regulatorily compliant internet gaming; to authorize the establishment of the Tinian Stable Token; and for other purposes," which was passed by the Tinian and Aguiguan Legislative Delegation of the Twenty-Fourth Northern Marianas Commonwealth Legislature.

The Attorney General has advised me that the proposed measure presents several legal issues and may be unconstitutional.

The bill seeks to regulate a matter that is not exclusively a local matter or an activity that can be clearly restricted to the Second Senatorial District, as provided in 1 CMC § 1402 and in Article II, Section 6 of the CNMI Constitution. The bill attempts to authorize and regulate internet gaming, allow for the issuance of internet gaming licenses, and allow the use of digital payment systems through the use of the internet, which by its nature facilitates transactions across jurisdictional boundaries. As such, the bill does not regulate a local matter, and the Tinian and Aguiguan Legislative Delegation lacks the authority to enact the proposed legislation. Moreover, the bill lacks any requirement for robust technical verification measures to effectively limit the activity to the boundaries of the Second Senatorial District, nor does it restrict the issuance of an internet gaming license to a physical location within the Second Senatorial District. There is no assurance that enforcement resources will be funded strictly by local funds derived from the regulated industry.



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In addition, the bill does not provide for robust enforcement measures to prevent illegal gaming activities. It does not provide for fines, license revocations, or other legal sanctions to strengthen enforcement, and internet gaming is particularly fluid, volatile, and difficult to track and regulate. Moreover, Section 4 of the proposed measure creates a separate internet gaming license category, and internet gaming license applicants are not required to deposit funds for a suitability investigation like applicants for a brick-and-mortar license under existing law. The nominal application fee and annual license fee do not provide adequate resources for enforcement and investigatory efforts to prevent money laundering and other unlawful activity. These vulnerabilities could result in Commonwealth-wide resources being expended to mitigate Commonwealth-wide harms and would not be contained within one senatorial district.

For the foregoing reasons, I respectfully exercise my constitutional authority to veto this Bill.

Sincerely,



ARNOLD I. PALACIOS

Governor

cc: Lieutenant Governor
Attorney General
Commonwealth Law Revision Commission
Public Auditor
Secretary of Finance
Mayor of Tinian and Aguiguan
Acting Special Assistant for Administration
Programs and Legislative Review Office



**TINIAN AND AGUIGUAN LEGISLATIVE DELEGATION
SECOND SENATORIAL DISTRICT
TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
FIRST REGULAR SESSION, 2025**

SENATE LOCAL BILL No. 24-1, D1

**A LOCAL BILL FOR AN ACT
FOR THE SECOND SENATORIAL DISTRICT**

To amend the Tinian Local Law 21-09 to provide for regulatorily compliant internet gaming;
to authorize the establishment of the Tinian Stable Token; and for other purposes.

OFFERED BY

Senators Jude U. Hofschneider, Francisco Q. Cruz and Karl R. King-Nabors

Introduced on February 14, 2025

SENATE ACTION

Transmitted to Tinian and Aguiguan Legislative Delegation for action on

March 7, 2025

DELEGATION ACTION

Public Hearing:	3/4/2025
Comments Solicited:	3/7/25: Mayor of Tinian and Aguiguan [Del. Matters 24-12] & 20 th Tinian Municipal Council [Del. Matters 24-13]
Comments Received:	3/4/25 Commented during Public Hearing
Special Committee Report:	None
Passed First & Final Reading:	March 12, 2025 w/Draft 1


Frances Joan P. Kaipat
Delegation Clerk



**TINIAN AND AGUIGUAN LEGISLATIVE DELEGATION
SECOND SENATORIAL DISTRICT
TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE**

FIRST REGULAR SESSION, 2025

S. L. B. 24-1, D1

**A LOCAL BILL FOR AN ACT
FOR THE SECOND SENATORIAL DISTRICT**

To amend the Tinian Local Law 21-09 to provide for regulatorily compliant internet gaming; to authorize the establishment of the Tinian Stable Token; and for other purposes.

**BE IT ENACTED BY THE SECOND SENATORIAL DISTRICT DELEGATION PURSUANT
TO CHAPTER 4, DIVISION 1, TITLE 1 OF THE COMMONWEALTH CODE:**

1 **Section 1. Findings and Purpose.** The Tinian and Aguiguan Legislative Delegation finds
2 that Tinian Local Law 21-09 authorized the Tinian Casino Gaming Control Commission to issue
3 licenses for internet gaming. The law conditioned internet gaming on a licensee also operating an
4 existing hotel-casino complex. While operation of internet gaming, in and of itself, can be
5 profitable for a licensee, the additional expense of operating a hotel-casino complex in Tinian,
6 with tourism, Commonwealth-wide, in a crisis, means that no gaming operator can profitably
7 operate from Tinian under the existing casino licensing framework. Allowing internet-only casino
8 licenses will allow a vibrant and profitable Tinian casino industry, regardless of the state of tourism
9 in the Commonwealth.

SENATE LOCAL BILL NO. 24-1, D1

1 The Delegation also finds that many jurisdictions throughout the world - including US
2 states like Pennsylvania, Michigan, and Delaware - offer internet-only gaming licenses. Operators
3 licensed in Tinian, as with operators licensed by other US jurisdictions, are subject to the Unlawful
4 Internet Gaming Enforcement Act (UIGEA), a federal law passed in 2006. UIGEA sets threshold
5 requirements that states must meet in order for state-licensed internet casino activities to be
6 considered lawful. Among these requirements is a requirement that “state law or regulations
7 include age and location verification requirements reasonably designed to block access to minors
8 and persons located out of such State” (31 U.S. Code § 5362 (10)(b)(2)). Although geolocation
9 requirements are currently present in Tinian casino statute, and age verification requirements are
10 currently present in Tinian casino regulation, the Delegation finds that adding the age verification
11 requirement to statute is a more permanent assurance of compliance with federal law.

12 Furthermore, the Delegation finds that the regulation of internet casino licensees presents
13 challenges specific to the digital medium. Unlike physical casinos, where the casino premises
14 themselves can be regulated and monitored by regulators, internet casinos, where gaming is
15 conducted on secure servers inaccessible by outside entities, can have gaming activity that is
16 difficult to monitor and track. Effective regulation and taxation of internet casinos requires the
17 regulator to have the ability to track flow of funds into and out of the casinos themselves.

18 The Delegation additionally finds that, on January 23rd 2025, President Donald J. Trump
19 issued Executive Order 14178, “Strengthening American Leadership in Digital Financial
20 Technology,” which stated, “The digital asset industry plays a crucial role in innovation and
21 economic development in the United States, as well as our Nation’s international leadership. It is

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1 therefore the policy of my Administration to support the responsible growth and use of digital
2 assets, blockchain technology, and related technologies across all sectors of the economy.” The
3 use of digital assets and blockchain technologies for the tracking of financial activity within the
4 Tinian internet casino ecosystem will allow maximum forensic capabilities for both real-time and
5 archival tracking, enforcement, and auditing of licensees and players.

6 Correspondingly, the Delegation finds that on March 17, 2023, Wyoming became the first
7 state to enact a bill - the Wyoming Stable Token Act (Wyo. Stat. § 40-31-106) - establishing the
8 authority of US public entities to issue stablecoins. A stablecoin is a digital one-to-one
9 representation of US dollars held in reserve by the issuer. Authorizing the Tinian Municipal
10 Treasurer to issue and redeem a stablecoin, and using that stablecoin as a “digital casino chip” in
11 the Tinian internet casino ecosystem, efficiently solves the taxation and regulation challenges
12 presented by internet casinos while simultaneously advancing the innovation and technology goals
13 of the United States government.

14 The Tinian and Aguiguan Legislative Delegation, being the duly elected body authorized
15 through N.M.I. Const. Art. 2, § 6 and the Local Law Act of 1983, specifically 1 CMC § 1401 *et*
16 *seq.*, to enact laws that relate exclusively to local matters such as, gambling prohibition and
17 regulation, within the Second Senatorial District find that in the interest of promoting the Tinian
18 gaming industry, it is lawful and necessary to amend Tinian Local Law 21-09 and to authorize the
19 creation of a Tinian Stable Token, in order to be globally competitive and compliant with United
20 States federal laws and regulations.

21 **Section 2. Repealer and Re-enactment.** 10 CMC § 2513 (ii) is hereby repealed and re-

SENATE LOCAL BILL NO. 24-1, D1

enacted to read as follows:

“(ii) “Internet gaming license” means a license issued under the act and the regulations permitting operation of an internet gaming system.”

Section 3. Amendment. 10 CMC § 2531 is hereby amended to read as follows:

“§ 2531. Grant of Casino and Internet Gaming Licenses. Notwithstanding any other law to the contrary:

(a) the Commission may grant not more than five casino licenses for a period not to exceed forty (40) years which shall not be transferable, except as proscribed in this chapter, provided that no casino licenses shall be authorized within the vicinity of any church or school. The commission may grant a casino license while hotel-casino complex is being built in phases, in accordance with 10 CMC § 2513(ee).

(b) the conduct and playing of games in the casino pursuant to a casino license, in accordance with this chapter and any other applicable chapter and the agreement relating to the particular license, is lawful;

(c) the use of any gaming equipment or chips in the conduct and playing of games where such games are conducted and played in a casino pursuant to a casino license is lawful;

(d) the Commission may also grant internet gaming licenses for a period not to exceed twenty (20) years which shall not be transferable, except as proscribed in this chapter. The ~~the~~ conduct of internet gaming pursuant to ~~a casino~~ an internet gaming license, in accordance with this chapter and any other applicable Act, and the regulations established by the Commission to regulate internet gaming ~~and internet gaming operators, and the operating agreement relating to~~

SENATE LOCAL BILL NO. 24-1, D1

1 ~~the particular license permitting the conduct of internet gaming,~~ is lawful. Operating internet
2 gaming is conditioned on ~~having a hotel with two hundred (200) units which may be built in phases~~
3 ~~of 100 units per phase as authorized by TCGCC and an operational Hotel-casino complex casino~~
4 ~~and the implementation of age verification software reasonably designed to block access to minors,~~
5 ~~and the implementation of a geolocation software limiting internet gaming activities to within~~
6 ~~intra-island borders of the Second Senatorial District and between jurisdictions where the conduct~~
7 ~~of internet gaming is legal not prohibited by law. The Commission may grant no more than eleven~~
8 ~~(11) internet gaming licenses.”~~

9 **Section 4. Amendment.** 10 CMC § 2581(b) is hereby amended to read as follows:

10 “(b) Investigative, Internet Gaming and Casino license fee.

11 (1) Application Fee.

12 (i) An applicant for a casino license shall pay a non-refundable application
13 fee of not less than twenty-five thousand dollars (\$25,000.00) upon submission of
14 the application to the Commission and shall also initially deposit no less than one
15 hundred thousand dollars (\$100,000.00) for the purposes of investigating the
16 suitability of the applicant. The applicant must also maintain a revolving fund for
17 investigative purposes in the amount of fifty thousand dollars (\$50,000.00).

18 (ii) An applicant for an internet gaming license shall pay a non-refundable
19 application fee of not less than five thousand dollars (\$5,000.00) upon submission
20 of the application to the Commission.

21 (2) An annual conditional or plenary license fee of five hundred thousand dollars

SENATE LOCAL BILL NO. 24-1, D1

(\\$500,000.00) shall be paid to the Commission upon approval of the conditional or plenary gaming application. In the case where a prior conditional gaming license has been issued for gaming purposes, the license fee shall be due and prorated on a quarterly basis beginning the third quarter of fiscal year 2016. Thereafter, when a conditional or plenary casino application is approved with less than the period of 12 months of the financial year ending September 30, the fee shall be calculated on a quarterly basis and paid on the period remaining.

(i) A casino licensee may opt to pay an annual conditional or plenary license fee of Two Million Dollars (\\$2,000,000.00) and waive payment of casino revenue taxes at the stated tax rate.

~~(3)(ii) A casino licensee that opts to engage in~~ An internet gaming licensee shall pay an annual fee to be determined by the Tinian Casino Gaming Control Commission of Twenty Thousand Dollars (\\$20,000.00) to the Commission upon approval of the internet gaming application. ~~Payment of internet gambling revenue tax shall not be waived.~~

~~(4)(3)~~ A casino or internet gaming licensee shall renew a conditional or plenary license upon its expiration by the payment of the annual license fee. Failure to renew a conditional or plenary license upon expiration shall be ground for the revocation, suspension or termination of a casino or internet gaming license.”

Section 5. Amendment. 10 CMC § 25100 is hereby amended to read as follows:

“(a) A casino operator may establish for a person a deposit advance account into which moneys may be deposited by that person in advance of any gaming by him.

SENATE LOCAL BILL NO. 24-1, D1

(b) A casino operator may accept a check in an advance account to facilitate repayment of credit issued, that is:

(1) drawn on a bank and payable on demand;

(2) drawn for a specific amount;

(3) made payable to the casino operator; and

(4) is not dated but is kept on file at the casino and dated when/if deposited.

(c) A casino operator may issue to the person for whom the deposit advance account is established a chip purchase voucher or chip purchase vouchers of a value up to the amount for the time being standing to his credit in the account or may pay to him cash up to the amount for the time being so standing to his credit.

(d) All internet gaming must be conducted exclusively via a deposit advance account established by the internet gaming operator for the specific person participating in gaming. Such an internet gaming deposit advance account:

(1) must be held on behalf of a person who has been positively identified for age and location using a system approved by the Tinian Casino Gaming Control Commission;

(2) must utilize a digital payment method approved by the Tinian Municipal Treasurer; and

(3) must restrict deposits to digital payment methods that allow the Tinian Municipal Treasurer to have full, direct visibility of all deposits and withdrawals, and the ability to track the same, both in real-time and in archival format.”

Section 6. Amendment. Title 10, Division 2, Chapter 3 of the Commonwealth Code is

SENATE LOCAL BILL NO. 24-1, D1

hereby amended by adding a new Article to read as follows:

“Article 5. Tinian Stable Token.

§ 101. Tinian Stable Token.

This article provides for the issuance, management, and redemption of Tinian Stable Token for use as a financial tool enabling the office of the Tinian Municipal Treasurer to better meet the responsibilities assigned to the office in 10 CMC § 2331. The financial systems described in this Act allow the Tinian Municipal Treasurer to track and control digital payments including, but not limited to, payments made by Tinian internet casino licensees and players, ensuring full compliance with the laws of the United States and the Commonwealth of the Northern Mariana Islands relating to internet gambling and other digital financial transactions.

§ 102. Definitions. For the purposes of this article:

(a) “Commonwealth” means the Commonwealth of the Northern Mariana Islands.

(b) “Digital Asset” means a representation of economic, proprietary or access rights that is stored in a computer readable format.

(c) “Mayor” means the Mayor of Tinian & Aguiguan.

(d) “Municipality” means the Municipality of Tinian & Aguiguan in the Second Senatorial District, Commonwealth of the Northern Mariana Islands.

(e) “Person” means a natural person, as well as a partnership, corporation, association, joint venture, or other business entity.

(f) “Public Blockchain” means an electronic record of transactions or other data which:

(1) is uniformly ordered;

SENATE LOCAL BILL NO. 24-1, D1

1 (2) is processed using a decentralized method by which two or more unaffiliated
2 computers or machines verify the recorded transactions or other data;

3 (3) is redundantly maintained by two or more unaffiliated computers or machines
4 to guarantee the consistency or nonrepudiation of the recorded transactions or other data;

5 (4) is validated by the use of cryptography; and does not restrict the ability of any
6 computer or machine to:

7 (i) view the network on which the record is maintained; or

8 (ii) maintain or validate the state of the public blockchain.

9 (g) “Tinian Stable Token” means the Virtual Currency issued or maintained by the
10 Municipality, or the system used to issue or maintain such Virtual Currency.

11 (h) “Tinian Stable Token Reserve Account” (TSTRA) means a local special account,
12 established by the Treasurer, that is used for the issuance and redemption of Tinian Stable Token.

13 (i) “Stablecoin” means a Virtual Currency not issued or maintained by the Municipality,
14 that is, or is designed to be, used as a means of payment or settlement and the issuer of which is
15 obligated to convert, redeem, or repurchase for a fixed amount of United States dollars.

16 (j) “Treasurer” means the Tinian Municipal Treasurer.

17 (k) Virtual currency: a digital asset that:

18 (1) is created, issued and maintained on a public blockchain;

19 (2) is used as a medium of exchange, unit of account or store of value; and

20 (3) is not recognized as legal tender by the government of the United States of
21 America or the government of the Commonwealth.

SENATE LOCAL BILL NO. 24-1, D1

§ 103. Tinian Stable Token Account.

(a) The Treasurer shall establish a local special account, to be called the Tinian Stable Token Reserve Account (TSTRA). This account shall be used for the issuance and redemption of Tinian Stable Token. Facility for the issuance and redemption of Tinian Stable Token shall be made generally available except to Persons deemed appropriate by the Mayor and Treasurer.

(b) The TSTRA and associated Virtual Currency shall be administered by the Treasurer. The Treasurer shall, on a monthly basis, issue a written report to the Mayor and the Second Senatorial District Delegation detailing.

(1) the total circulating Virtual Currency;

(2) the amount of Virtual Currency issued into circulation in the previous month

(3) the amount of Virtual Currency redeemed or otherwise removed from circulation in the previous month; and

(4) the balance of the TSTRA, organized by type of funds.

§ 104. Composition of the Tinian Stable Token Reserve Account.

(a) The following shall be deposited in the Tinian Stable Token Reserve Account (TSTRA), for use in maintaining adequate reserves to satisfy any obligations to holders of issued and circulating Tinian Stable Token:

(1) All monies collected at the time of issuance of Tinian Stable Token;

(2) Fees and taxes collected through the use of the Tinian Stable Token system.

(b) Funds in the TSTRA may be comprised of:

(1) United States coins and currency (including Federal reserve notes and

SENATE LOCAL BILL NO. 24-1, D1

circulating notes of Federal reserve banks, United States national chartered banks, and Commonwealth chartered banks);

(2) Treasury bills with a maturity of 90 days or less;

(3) Repurchase agreements with a maturity of 7 days or less that are backed by Treasury bills with a maturity of 90 days or less; or

(4) Stablecoins, reserve-backed by one-to-one reserves of assets specified in subsections (b)(1) through (b)(3) of this Section;

(c) Funds due to the TSTRA, when such funds are temporarily held in the custody of payment processors or other intermediary financial institutions, shall be considered as value belonging to the TSTRA.

§ 105. Tinian Stable Token Value and Limitations.

A Tinian Stable Token is a Virtual Currency representative of and redeemable for one (1) United States dollar held in trust by the Treasurer. Tinian Stable Tokens shall only be issued in exchange for United States dollars. Tinian Stable Tokens shall only be redeemed for United States dollars and such redemption shall only occur on a one-to-one basis.

§ 106. Tinian Stable Token Reserve Requirements.

(a) The total US dollar value of the Tinian Stable Token Reserve Account (TSTRA) shall, at all times, be greater than or equal to the number of Tinian Stable Tokens (TST) in circulation.

(b) No new TST shall be issued into circulation if such issuance will make the US dollar value of the TSTRA less than the US dollar value of the Tinian Stable Token in circulation.

(c) No expenditure shall be made from the TSTRA if such expenditure will make the US

SENATE LOCAL BILL NO. 24-1, D1

dollar-value of the TSTRA less than the US dollar value of the Tinian Stable Token in circulation.”

Section 7. Severability. If any provision 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 8. 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 this Act shall not have the effect of terminating, or in any way modifying, any liability civil or criminal, which shall already be in existence at the date this Act becomes effective.

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

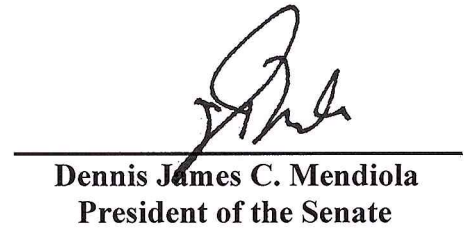
SENATE LOCAL BILL NO. 24-1, D1

CERTIFIED BY:



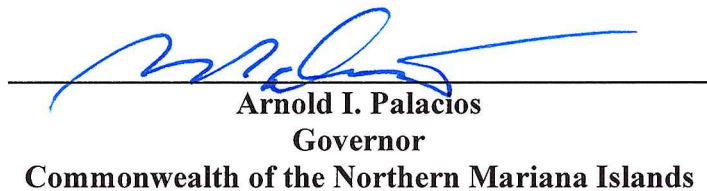
Jude U. Hofschneider
Chairman

Tinian & Aguiguan Legislative Delegation



Dennis James C. Mendiola
President of the Senate

Disapproved this 11th day of April, 2025.



Arnold I. Palacios
Governor
Commonwealth of the Northern Mariana Islands



Commonwealth of the Northern Mariana Islands
Office of the Attorney General

2nd Floor Hon. Juan A. Sablan Memorial Bldg.
Caller Box 10007, Capitol Hill
Saipan, MP 96950

EDWARD MANIBUSAN
Attorney General

Review of Pending Legislation¹

April 10, 2025

OAGGOV: 2025-009
LSR No. 25-188

Hon. Arnold I. Palacios
Governor
Commonwealth of the Northern Mariana Islands
Caller Box 10007
Saipan, MP 96950

Re: Senate Local Bill No. 24-1, D1 entitled: "To amend the Tinian Local Law 21-09 to provide for regulatorily compliant internet gaming; to authorize the establishment of the Tinian Stable Token; and for other purposes."

Dear Governor Palacios:

Thank you for the opportunity to review and comment on Senate Local Bill No. 24-1, D1, which is pending for your action.

I have read and reviewed the above-stated legislation and advise as follows:

_____ The Local Bill MAY BE SIGNED – no legal deficiency

_____ FURTHER CONSIDERATION IS ADVISED

X The Local Bill **SHOULD NOT BE SIGNED**

Senate Local Bill 24-1, D1:

The local bill proposes to amend Tinian Local Law 21-09 (also known as the Revised Tinian Casino Gaming Control Act of 1989) in order to provide for a regulatorily compliant internet gaming, and to authorize the establishment of the Tinian Stable Token.

¹ The information contained in this document is legally privileged and confidential information intended only for the use of the individual or entity named herein. If the reader of this document is not the intended recipient, you are notified that any dissemination, distribution or copy of this document is strictly prohibited. If you have received this document in error, please immediately notify the Office of the Attorney General by telephone and return the original document to the above address via the US Postal Service. Thank you.

Hon. Arnold I. Palacios, Governor
Re: Comments on SLB 24-1, D1
OAGGOV: 2025-009
April 10, 2025
Page 2 of 3

Legal Issues:

The proposed measure is unconstitutional and unlawful.

The bill seeks to regulate a matter that is not exclusively a local matter or an activity that can be clearly restricted to the Second Senatorial District, as described in 1 CMC § 1402 and in Article II, Section 6 of the CNMI Constitution. The bill attempts to authorize and regulate internet gaming, allow for the issuance of internet gaming licenses, and allow the use of digital payment systems through the use of the internet, which by its nature, connects transactions within the Commonwealth. As such, because the matter is not a local matter, and the Tinian Legislative Delegation lacks the authority to enact the proposed legislation. Moreover, the bill lacks any mechanism that would effectively limit the activity being proposed to only occur within the boundaries of the Second Senatorial District, nor does the bill restrict the issuance of an internet gaming license to a physical location within the Second Senatorial District, there is no assurance that resources utilized for the industry's enforcement will be contained and funded strictly by local funds derived from the industry being licensed. Finally, the measure does not contain any requirements for licensees and operators to implement robust technical verification measures to enforce the territorial boundaries of the Second Senatorial District.

In addition, the bill lacks robust enforcement measures to prevent or thwart illegal gaming activities in order to attain a "vibrant and profitable Tinian casino industry" the bill envisions and as articulated in its findings and purpose. The bill does not even contain any provision providing for fines, license revocations, or other legal sanctions specific to internet gaming that can strengthen enforcement of this especially volatile and vulnerable activity, by its fluid nature makes it harder for government to track and regulate. Moreover, because Section 4 of the proposed measure creates a separate internet gaming license distinction and internet gaming license applicants are not required to deposit funds for a suitability investigation (like that of the casino license applicant), the absence of that requirement does not provide adequate means to ensure their suitability for such a license. Even the nominal and paltry application fee and the annual license fee lacks the adequate financial resources for enforcement or investigatory efforts that will be crucial to prevent money laundering activities. These inadequacies will likely result in the usage of Commonwealth resources to prevent harm to the entire CNMI, harm that cannot be contained within one senatorial district.

Conclusion:

The local bill should not be approved as it presents numerous legal issues and is not legally sufficient.

Sincerely,



EDWARD MANIBUSAN
Attorney General

SENATE LOCAL BILL NO. 24-1, D1

CERTIFICATION:

Overridden by the House of Representative on May 15, 2025, and by the Senate on May 9, 2025, by the affirmative vote of two-thirds (2/3/) of the members in each house.



Edmund S. Villagomez
Speaker of the House of Representatives

5/19/25

Date



Dennis James C. Mendiola
President of the Senate

5/19/25

Date

Senate Overrode on May 09, 2025

House of Representatives Overrode on May 15, 2025

Became Tinian Local Law No. 24-03 on 19th day of May 2025