

**A SENATE RESOLUTION**

To disapprove Executive Order 2025-002 to transfer authority for supervision of casino gaming from the Commonwealth Casino Commission to the Commonwealth Lottery Commission pursuant to NMI const. art. III, sec. 15.

1           **WHEREAS**, the Governor signed Executive Order (EO) 2025-002 on May 30,  
2 2025 and transmitted the executive order to the Senate on June 2, 2025, which was  
3 referred to the Senate Gaming Committee for review and disposition; and

4           **WHEREAS**, the Governor cites as authority for Executive Order 2025-002, NMI  
5 Const. art. III, § 1, which provides that “[t]he executive power of the Commonwealth  
6 shall be vested in a governor who shall be responsible for the faithful execution of the  
7 laws;” and NMI Const. art. III, § 15, which permits the governor to “make changes in the  
8 allocation of offices, agencies and instrumentalities and in their functions and duties that  
9 are necessary for efficient administration;” and

10           **WHEREAS**, Executive Order 2025-002, which transfers the authority for  
11 supervision of casino gaming from the Commonwealth Casino Commission (CCC) to the  
12 Commonwealth Lottery Commission (CLC), states in Section 1 as follows:

13           **Section 1. Enactment.**

14  
15           (a) The duties and responsibilities of the Commonwealth Casino  
16 Commission to supervise casino gaming in the Commonwealth  
17 under Title 4, Division 2, Chapter 3, Article 2 of the  
18 Commonwealth Code. 4 CMC §§ 2311-37, are hereby transferred  
19 to the Commonwealth Lottery Commission established under 1  
20 CMC §§ 9301-23.

21           (b) To the greatest extent possible under applicable law, authority for  
22 enforcement of the existing Casino License Agreement between  
23 the Commonwealth and the exclusive licensee of the sole casino  
24 license issued pursuant to 4 CMC § 2317. including authority to

1 negotiate cure amounts for any encumbrances on said license, is  
2 likewise transferred to the Lottery Commission.

3 (c) Because the Commission is divested by this order of any statutory  
4 duties or responsibilities. the Commissioners no longer owe duties  
5 within the meaning of NMI const. Article III, Section 21 and their  
6 terms are accordingly terminated for cause; and

7 **WHEREAS**, on June 18, 2025, the Senate Gaming Committee met to review the  
8 provisions of Executive Order 2025-002, the impact of the transfer on both the CCC and  
9 CLC, and to discuss the executive order with the Commonwealth Casino Commission,  
10 specifically the Chairman of the CCC, Mr. Edward Deleon Guerrero and Commissioner  
11 Mr. Mario Taimanao. Unfortunately, the Secretary of Finance, the Executive Secretary of  
12 the CLC was unavailable for an extended period of time and could not commit to a  
13 meeting with the Senate Gaming Committee; and

14 **WHEREAS**, on July 7, 2025, the Senate Gaming Committee met for the second  
15 time to discuss Executive Order 2025-002. The Senate Legal Counsel shared that  
16 pursuant to the guidelines set forth in *Torres v. Commonwealth* and other CNMI Supreme  
17 Court cases, it appears that the Governor may have exceeded his authority under NMI  
18 const. art. III, sec. 15; and

19 **WHEREAS**, the CNMI Supreme Court in the case *Torres v. Commonwealth*,  
20 2009 MP 14 (Sept. 29, 2009), provides guidance on the limits of the governor's authority  
21 to reallocate or reorganize the executive branch departments and agencies. In *Torres*, the  
22 Supreme Court reviewed two executive orders that transferred the Commonwealth  
23 Utilities Corporation (CUC) to the Department of Public Works (DPW). The Court stated  
24 that while the governor is given broad powers to reorganize the executive branch  
25 pursuant to NMI const. art. III, sec. 15, it does not allow him or her to create a new entity,  
26 agency or department. This constitutional power is vested solely in the legislature; and

27 **WHEREAS**, the Supreme Court in *Torres v. Commonwealth* further found that  
28 the Governor altered the nature of CUC's administration, and in some cases completely  
29 nullified existing statutory schemes when he abolished the CUC Board of Directors. By  
30 radically altering the CUC enabling statutes in both executive orders, the Governor  
31 essentially engaged in the legislative process. Since only the legislature may make such

1 substantial changes to existing law, both the first and second executive orders infringed  
2 upon that authority; and

3 **WHEREAS**, like *Torres*, the Governor placed the CCC under the control of the  
4 CLC through Executive Order 2025-002. Like *Torres*, the Governor took further steps in  
5 the executive order by terminating for cause the existing CCC commissioners and  
6 replacing them with CLC commissioners that would not qualify as CCC commissioners  
7 under 4 CMC § 2313, which (1) significantly alters the nature of the CCC's  
8 administration and nullifies existing statutory schemes including changing CCC's status  
9 as an autonomous public agency, deleting the requirement that Rota and Tinian be  
10 represented in the CCC, changing the compensation of the CCC commissioners, and  
11 changing the commissioners' status from full time to part time; (2) directly contradicts  
12 existing statutes that require the CCC commissioners to be "appointed and confirmed"  
13 not "elected" like the Attorney General, prohibit government employees and officials  
14 from being appointed to the CCC, and prohibit the removal of the CCC commissioners  
15 except with cause, (3) essentially creates a new entity by transferring the duties and  
16 responsibilities of an autonomous public agency governed by an independent body to an  
17 executive department line agency governed by cabinet members and replacing the  
18 independent body with cabinet members; and (4) creates a conflict of interest because 1  
19 CMC § 9302 includes the Attorney General (AG) as a CLC commissioner. At the same  
20 time, the AG represents the CCC in all legal matters including the current IPI litigation  
21 and recently instructed the Secretary of Finance, who is also the Executive Secretary of  
22 the CLC, not to remit compensation payments to the CCC that were appropriated in  
23 Public Law 24-1; and

24 **WHEREAS**, in addition to the legal implications, there are numerous policy  
25 concerns and issues raised by Executive Order 2025-002 including whether transferring  
26 additional responsibilities to the CLC members who are heads of their respective line  
27 executive departments with full time jobs would have sufficient time to supervise the  
28 CCC? Whether the CLC can efficiently and effectively supervise the CCC with CLC  
29 members who are cabinet members that are often replaced for one reason or another?  
30 Whether the CCC can maintain stability and consistency if the CLC members are not  
31 timely appointed or confirmed? It appears that the CCC has not been contacted by the

1 CLC to facilitate any smooth transition or to inquire as to any standard of care that is  
 2 necessary to regulate the casino industry; and

3 **WHEREAS**, Executive Order 2025-002 raises other issues including concerns  
 4 that the EO lacks provisions governing the transfer of requisite information from CCC  
 5 including confidential documents to the CLC, the EO lacks provisions transferring CCC  
 6 personnel and financial information, statements and bank accounts, if any, to the CLC.  
 7 Additionally, the EO will remove the Rota and Tinian membership in the CCC, which is  
 8 inconsistent with the legislative intent of Public Law 18-56. There is also misinformation  
 9 regarding why there is no CCC Tinian member – the Tinian Leadership did not inform  
 10 the Governor to hold off on appointing a new CCC Tinian member; and

11 **WHEREAS**, the CCC informed the Senate Gaming Committee that the CCC was  
 12 communicating with IPI to discuss options for IPI to pay off its debts to the CNMI  
 13 government. However, the CCC stated the attorney from the OAG’s Solicitor’s Division  
 14 informed the CCC that the Attorney General will not sign any stipulation with IPI. There  
 15 is also a new investor that is interested in taking over IPI’s liabilities and the exclusive  
 16 casino license. However, the Department of Public Land’s Secretary commented that the  
 17 public land lease negotiation problems with the new casino investor is with Office with  
 18 the Attorney General who is also an official CLC member and the legal counsel of the  
 19 CCC. The CCC members alluded to possibly litigating their “removal for cause” if  
 20 Executive Order 2025-002 is not disapproved. The *Torres v. Commonwealth* case took 3  
 21 years to be adjudicated; will the current investor wait 3 years for a resolution of EO 2025-  
 22 002? Can the CNMI attract other investors if the executive order will be in litigation for  
 23 years and the casino laws are in question; and

24 **WHEREAS**, it appears that the EO creates more obstacles for the casino industry  
 25 and so many unknowns and ambiguities regarding the transfer of the CCC to the CLC. A  
 26 better course of action would have been to engage the Senate President, Speaker of  
 27 House, and members of the Legislature to discuss and address amendments to the current  
 28 casino law; and

29 **WHEREAS**, it is imperative for the Legislature to take the lead on the issue of  
 30 amending the casino statutes, call upon all the stakeholders to discuss the necessary  
 31 changes, and then exercise its constitutional authority to legislate any and all requisite

1 changes to the casino statutes to facilitate progress as it relates to casino gaming moving  
2 forward and to avoid any of the legal and policy concerns raised by Executive Order  
3 2025-002; and

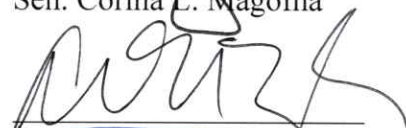
4 **WHEREAS**, the Senate is open to receiving casino amendment recommendations  
5 from the Governor and is currently in receipt of proposed casino amendments from the  
6 CCC to improve the casino statutes, amend casino requirements that are unrealistic today,  
7 and to make the casino industry more enticing for investors;

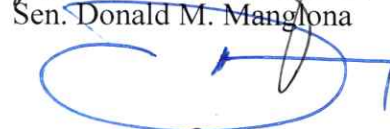
8 **NOW THEREFORE, BE IT RESOLVED**, by the Senate of the Twenty-Fourth  
9 Northern Marianas Commonwealth Legislature that the Senate hereby disapproves  
10 Executive Order 2025-002 to transfer authority for supervision of casino gaming from the  
11 Commonwealth Casino Commission to the Commonwealth Lottery Commission  
12 pursuant to NMI const. art. III, sec. 15; and

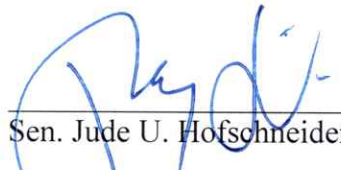
13 **BE IT FURTHER RESOLVED** that the President of the Senate shall certify,  
14 and the Senate Legislative Secretary shall attest to the adoption of this resolution and  
15 thereafter the Senate Clerk shall transmit a certified copy to the Honorable Arnold I.  
16 Palacios, Governor of the Commonwealth of the Northern Mariana Islands; Edward  
17 Deleon Guerrero, Chairman of the Commonwealth Casino Commission; Tracy B. Norita,  
18 Executive Secretary of the Commonwealth Lottery Commission; the Honorable Edmund  
19 S. Villagomez, Speaker of the House of Representatives, Twenty-Fourth Northern  
20 Marianas Commonwealth Legislature; the Honorable Kimberlyn King-Hinds, CNMI  
21 Delegate to the House of Representatives Washington, 119th United States Congress.

Date: 7/14/28

Introduced By:   
Sen. Corina L. Magofna

  
Sen. Donald M. Manglona

  
Sen. Francisco Q. Cruz



Sen. Jude U. Hofschneider



Sen. Karl R. King-Nabors