

SECOND NORTHERN MARIANAS CONSTITUTIONAL CONVENTION

SAIPAN, CM 96950

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REPORT TO THE CONVENTION OF THE
COMMITTEE ON FINANCE & OTHER MATTERS

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Subject: Committee Recommendation No. 42

The Committee on Finance and Other Matters recommends that the Convention, sitting as a Committee of the Whole, adopt in principle the attached Constitutional provision with respect to gambling in the Commonwealth of the Northern Mariana Islands.

The proposed Constitutional amendment would provide stability to the Commonwealth's anti-gambling policy by prohibiting all forms of gambling except for the Commonwealth's traditional games of bingo, batu, cockfighting, and raffles. Gambling includes all games of chance, gambling devices such as slot machines, poker machines that pay out or rackup points that can be exchanged for cash or other valuable consideration, and other similar devices that give cash or credits or other valuable considerations, other than free games. Other gambling activities are permitted on a limited basis and for fund-raising purposes only if the activity is exclusively owned and operated by a recognized religious organization, governmental or non-profit corporations. All of the net proceeds derived from these activities shall be earmarked for public projects and other charitable organizations. The legislature shall enforce this requirement by law.

The proposed amendment further provides that gambling may be permitted if two-thirds of the registered voters in a referendum held in a senatorial district pursuant to Article IX of the Constitution approve of the gambling activity within that district.

The Committee went through several painstaking and often tortuous exercises, including numerous drafts in finally arriving at a consensus Constitutional provision. There were great concerns on the adverse impacts that gambling might bring to the community. A reflection of the 1979 referendum was also reiterated as a reinforcement of the people's desire to eliminate gambling devices in the Commonwealth of the Northern Mariana Islands. The question of substantial revenue gained by the poker machines' presence in the Commonwealth of the Northern Mariana Islands was also considered. Adverse activities

Such as gambling should not be used as an excuse for supporting the government. At times, we accommodate adverse activities because of the need for more revenue. But then all this does is allow for more funds to be wasted since the Committee realizes during all the public hearings that the concern is not on how much money the government has but how such money is spent. It appears, however, that moral objections seem to be relaxing enough to allow each senatorial district to make a decision on gambling. This is reflected in Section 2 of the Committee recommended amendment. The only issue that appears abundantly clear to your Committee is that gambling remains and will continue to be a controversial issue.

If voters who approve gambling later desire to repeal gambling, the voters of a senatorial district may do so if the repeal is approved in a referendum.

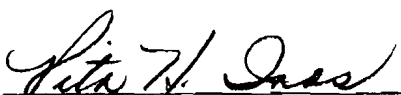
Delegate Proposal: Delegate Proposals numbered 72-85, 189-85, and 246-85 were considered by the Committee. Delegate Proposal No. 72-85 which prohibits gambling devices is incorporated in Section 1 of the proposed amendment. Delegate Proposal No. 189-85 is covered by Section 2. The content of Delegate Proposal No. 246-85 is incorporated in a modified form.

Your Committee on Finance and Other Matters is in accord with the intent and purpose of Delegate Proposals number 72-85, 189-85, and 246-85, and recommends passage on final reading in the form attached hereto as Committee Draft 1.


Respectfully submitted,



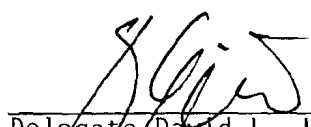
Delegate Lorenzo I. Guerrero
Chairman



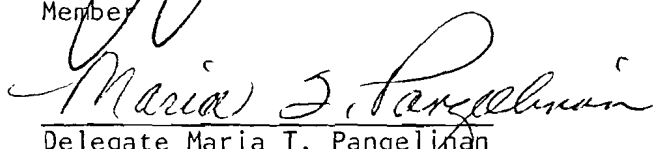
Delegate Rita H. Inos
Vice-Chairman



Delegate James M. Mendiola
Member



Delegate David L. Igitol
Member



Delegate Maria T. Pangelinan
Member



Delegate Ignacio Villanueva
Member

A PROPOSED CONSTITUTIONAL AMENDMENT

To add a new Article ___ to the Constitution relating to gambling in the Commonwealth of the Northern Mariana Islands.

BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

Upon ratification pursuant to Section 5 of Article XVIII of the Commonwealth of the Northern Mariana Islands Constitution and Public Law No. 4-30, the Constitution of the Commonwealth of the Northern Mariana Islands is amended as follows:

1 I. Effective upon ratification, a new Article___ is added
2 to read:

3 "Article ___. GAMBLING

4 "Section 1. Prohibition. Gambling is prohibited
5 in the Northern Mariana Islands except as provided by
6 Commonwealth law or as established through
7 initiative in the Commonwealth or in any senatorial
8 district."

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18 PASSED SECOND AND FINAL READING ON JULY 18, 1985

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1 Effective upon ratification, a new Article ____ is added to read:

2 "Article ____ . GAMBLING

3 "Section 1: Prohibition. Gambling shall be prohibited unless
4 the gambling activity involves bingo, batu, cockfighting, raffles, or
5 other activities owned and operated by religious, governmental, or
6 nonprofit corporations.

7 "Section 2: Legalized Gambling. Other forms of gambling may be
8 permitted if two-thirds of the registered voters in a referendum held
9 in a senatorial district approve of the gambling activity within that
10 district. Upon approval of gambling pursuant to this section, the
11 legislature shall regulate the gambling activity by law.

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Committee on Finance and Other Matters

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