

June 14, 1995

COMMITTEE ON LEGISLATIVE BRANCH AND PUBLIC FINANCE

REPORT NO. 3: ARTICLE XXI; GAMBLING

The Committee met on Monday, June 12, 1995, and Wednesday, June 14, 1995, to consider proposed amendments to Article XXI. The Committee considered Delegate Proposals 83, 105, 169, 177, 191 and 369 that had been referred to it by the Committee on Organization and Procedures.

In considering whether to recommend an amendment that would prohibit gambling entirely, the Committee necessarily had to consider and assess the recent history of gambling in the Commonwealth. The Committee recognized that some forms of gambling are legal in the CNMI, such as raffles, bingo, poker machines and pachinko machines. For more than 15 years, however, the Commonwealth has debated whether to authorize casino gambling. The issue has been considered in the Legislature on several occasions and has been the subject of three popular initiatives and two referenda. Most recently, the Second Senatorial District (Tinian and Aquiguan) in 1989 by popular initiative decided to authorize casino gambling and investors have now made a substantial investment in a gambling facility on Tinian. The people of Rota have reached a different conclusion regarding legalized casino gambling; they rejected local initiatives to permit such gambling by substantial margins in 1991 and 1993. A majority of the voters in both Rota and Saipan voted against legalized casino gambling in 1989 while the majority of Tinian voters supported it.

In light of this history, the Committee decided not to recommend an amendment that would prohibit casino gambling entirely. They concluded that such a decision would adversely affect the people of Tinian, who have consistently supported legalized gambling as an important component of the long-desired economic development of that island. Furthermore, in reliance on the 1989 popular initiative in Tinian, a program to develop and promote legalized gambling is well underway and it would be unfair both to the investors and to the people of Tinian if this course were reversed without a popular vote on Tinian.

The Committee decided, however, to propose an amendment to Article XXI that would permit casino gambling only in those Senatorial districts whose voters so decided in a popular initiative. The Committee decided therefore to deny authority to

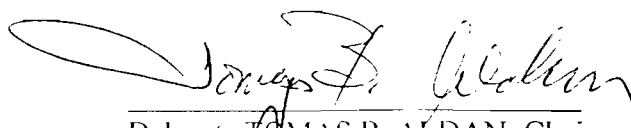
the Legislature to enact legislation permitting casino gambling. The Committee also decided that a Commonwealth-wide initiative could not be used to accomplish the same objective. The Committee was aware of the potential economic benefits to the Commonwealth that might result from the legalization of casino gambling in the CNMI. The Committee was also aware of the social, cultural and political consequences that might follow legalized gambling to these small, family-oriented, and religious islands. What the history of the last 15 years has demonstrated is that the people of Rota, Tinian and Saipan have widely different views on this subject and have assessed the potential risks and benefits differently. Accordingly, the Committee concluded that each Senatorial district should be allowed to make this decision for its own inhabitants only by popular initiative. Such a resolution of the matter also serves to provide a measure of economic and political stability to the issue that will be welcomed both by investors and the people.

The Committee concluded that the vote required to legalize casino gambling should be two-thirds in a popular initiative. Although this is the supramajority vote currently required in Article IX, Section 1, the Committee decided to specify this requirement in Article XXI.

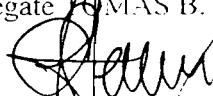
The Committee decided not to impose any moratorium on legalization of casino gambling in the Senatorial districts other than Tinian. In view of the past history on Rota and Saipan with respect to sentiments on this issue, the Committee did not believe that such a moratorium was necessary. In addition, the Committee thought that it would be unfair to deny the citizens in any Senatorial district the right to exercise their free choice on this question at any time.

The constitutional language reflecting the Committee's decisions is attached. Because certain gambling activities are presently authorized by law, the Committee has included a provision that would exempt such activities from the prohibition contained in the proposed Article XXI. The Committee recommends this language to the Convention.

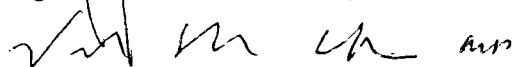
Respectfully submitted,



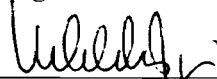
Delegate TOMAS B. ALDAN, Chair



Delegate JUAN S. TENORIO, Vice Chair



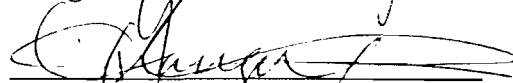
Delegate VICENTE S. ALDAN



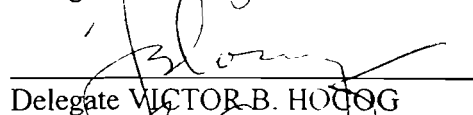
Delegate MARIAN ALDAN-PIERCE



Delegate FRANCES LG BORJA



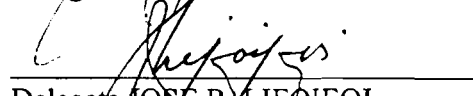
Delegate JOHN O. DLR. GONZALES



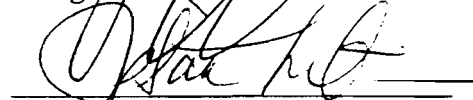
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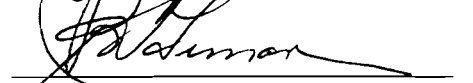
Delegate DAVID L. IGITOL



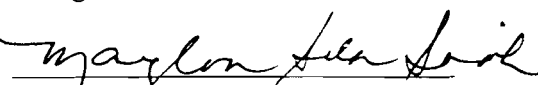
Delegate JOSE R. LIFOIEOI



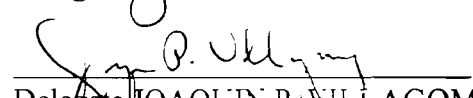
Delegate JOEY P. SAN NICOLAS



Delegate BERNADITA T. SEMAN



Delegate MARYLOU ADA SIROK



Delegate JOAQUIN P. VILLAGOMEZ

ARTICLE XXI; GAMBLING

Section 1: Prohibition

Casino gambling is prohibited in the Northern Mariana Islands except in any senatorial district when approved in a popular initiative by the affirmative vote of two-thirds of the persons qualified to vote in that district. This article does not prohibit any gambling activities in the Commonwealth to the extent authorized by law as of June 5, 1995.

[The legislative history of this article can define the scope of the prohibition by including a paragraph such as the following:

"Casino gambling" is defined as an activity whereby a person risks money or a thing of value on the outcome of something involving chance except for normal commercial activities where a thing of value is offered and obtained for equal consideration in every case. Casino gambling activities include, but are not limited to, games of craps, keno, faro, monte, roulette, lansquenet, punchboard, rouge-et-noir, rondo, tan, fan-tan, stud-horse poker, seven-and-a half, twenty-one, hokey-pokey, or any banking or percentage game played with cards, dice, or any device, any of which are played for money, checks, credit, or any thing of value. Nothing in this article is intended to interfere with the continued operation of raffles, bingo, batu, cockfighting, poker machines, or pachinko machines to the extent and at the level they are permitted by Commonwealth law as of June 5, 1995.]

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