

June 21, 1995

COMMITTEE ON LEGISLATIVE BRANCH AND PUBLIC FINANCE

REPORT NO. 3: ARTICLE XXI; GAMBLING (REVISED)

The Committee met on Monday, June 12, 1995, Wednesday, June 14, 1995 and Wednesday, June 21, 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, batu, cockfighting, poker machines and pachinko machines. The Committee does not intend to interfere with any form of gambling to the extent that it was legal on June 5, 1995. 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 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 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 or other new forms of gambling and to provide also that a Commonwealth-

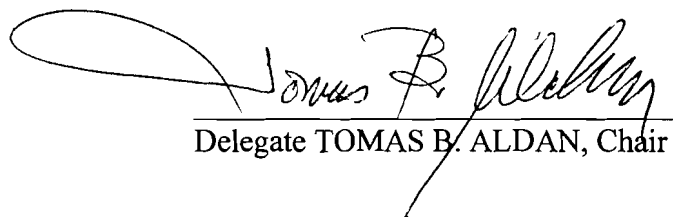
wide initiative should not be available to accomplish the same objective. The Committee was aware of the potential economic benefits to the Commonwealth that might result from the legalization of casino gambling in the CNMI. The Committee is also aware of the social, cultural and political consequences 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 gambling should be two-thirds in a popular initiative. Although this is the supermajority 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. This language prohibits the legislature from increasing the extent of gambling permitted on June 5, 1995, such as by authorizing more pachinko machines. The Committee recommends this language to the Convention.

Respectfully submitted,



Delegate TOMAS B. ALDAN, Chair

ARTICLE XXI; GAMBLING

Section 1: Prohibition

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 gambling activities in the Commonwealth to the extent authorized by law on June 5, 1995.