

**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
SAIPAN MARIANA ISLANDS**

VOLUME 17 NUMBER 07



JULY 15, 1995

COMMONWEALTH

REGISTER

COMMONWEALTH REGISTER
VOLUME 17 NUMBER 07
JULY 15, 1995

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COMMONWEALTH HEALTH CENTER

OFFICE OF THE DIRECTOR

GOVERNMENT OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF PUBLIC HEALTH-ENVIRONMENTAL SERVICES

DEPARTMENT OF PUBLIC HEALTH Compliance With Section 504 Of The Rehabilitation Act of 1973 And Title II Of The Americans With Disabilities Act of 1990

GRIEVANCE PROCEDURE

It is the policy of the Department of Public Health to comply with the requirements of Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. §794, and regulations promulgated thereunder at 45 CFR Part 84, and Title II of the Americans With Disabilities Act of 1990, 29 U.S.C. §§ 12131-12134, and regulations promulgated thereunder at 28 CFR Part 35. These regulations provide, in part, that "[n]o qualified handicapped person shall, on the basis of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from Federal financial assistance," and that "[n]o qualified individual with a disability shall, on the basis of disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subject to discrimination by any public entity." See 45 CFR §84.4(a), and 28 CFR §35.130(a), respectively.

If any individual has reason to believe that the Department of Public Health is not complying with the requirements of Section 504 of the Rehabilitation Act of 1973 or Title II of the Americans with Disabilities Act of 1990, and their respective regulations, he or she may file a grievance pursuant to the procedure set forth below. Any person wishing to examine the above referenced statutes and regulations may contact Ms. Angela Wardlaw, Hospital Administrator, at the Commonwealth Health Center (phone: 234-8950). Ms. Wardlaw is one of the individuals designated to coordinate the efforts of the Department of Public Health in complying with the regulations implementing §504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act of 1990.

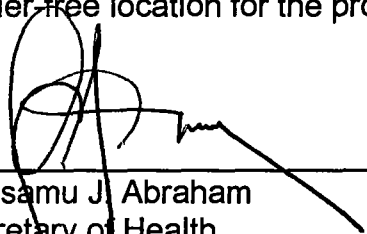
Grievance Procedure

1. Any person who believes he or she has been subjected to discrimination on the basis of disability (the "Complainant"), in contradiction of the policies stated above, may file a grievance under this procedure. It is against the law for the Department of Public Health to retaliate against anyone who files a grievance or cooperates in the investigation of a grievance.
2. The Complainant must submit his or her grievance to Ms. Angela Wardlaw (the "Compliance Coordinator"), within 30 days from the date the Complainant becomes aware of the alleged discriminatory action.
3. The grievance must be in writing, contain the name and address of the Complainant, provide a complete description of the problem or action alleged to be discriminatory, including any documents to support the claim, and state the remedy or relief sought by the Complainant. The Complainant should also state in the grievance whether he or she would like to present evidence at a hearing.
4. If the Complainant has requested a hearing, the Compliance Coordinator shall schedule a hearing within ten (10) days from the date the grievance is submitted by the Complainant. The Compliance Coordinator and two other Department of Public Health administrators shall preside at the hearing. The Complainant may then present evidence through oral testimony, witnesses, and exhibits. The Complainant shall have the right to be represented by a person of his or her choice at the hearing.
5. The Compliance Coordinator, or his or her designee, shall conduct an investigation of the grievance to determine its validity. This investigation may be informal, but it must be thorough, affording all interested persons an opportunity to submit evidence relevant to the grievance. The Compliance Coordinator shall maintain the files and records of the Department of Public Health relating to such grievances.
6. The Compliance Coordinator shall issue a written decision on the grievance no later than thirty (30) days from the date the written grievance is submitted, or if a hearing is requested, thirty (30) days from the date the hearing is held.
7. The Complainant may appeal the decision of the Compliance Coordinator by filing an appeal with the Deputy Attorney General for Administration, Office of the Attorney General, Administration Building, Second Floor, Capitol Hill, within 15 days of receiving the Compliance Coordinator's decision. The person hearing the appeal shall be impartial as demonstrated by the absence of prior involvement in substantive aspects of the filed grievance.

8. The Deputy Attorney General for Administration shall issue a written decision in response to the appeal no later than thirty (30) days from receipt of the appeal.

9. The availability and use of this grievance procedure does not preclude a person from filing a complaint of discrimination on the basis of disability or any action prohibited by the regulations implementing Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act of 1990 with the U.S. Department of Health and Human Services, Office for Civil Rights, 50 United Nations Plaza, Room 322, San Francisco, California, 94102; telephone number (415) 556-8586 - Voice and TDD; FAX (415) 556-5165.

10. The Compliance Coordinator shall be responsible for ensuring that arrangements are made to enable disabled persons to participate in or make use of this grievance process on the same basis as non-disabled individuals. Such arrangements may include, but are not limited to, the provision of interpreters for the deaf, providing taped cassettes of material for the blind, and assuring a barrier-free location for the proceedings.



Dr. Isamu J. Abraham
Secretary of Health
Department of Public Health



**WORKERS' COMPENSATION COMMISSION
NORTHERN MARIANA ISLANDS RETIREMENT FUND**

P.O. BOX 1247
SAIPAN, MP 96950
PHONE: (670) 234-7228 FAX: (670) 234-9624



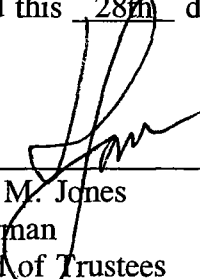
**PUBLIC NOTICE OF PROPOSED AMENDMENTS
TO ADMINISTRATIVE RULES AND REGULATIONS
OF THE WORKERS' COMPENSATION COMMISSION**

The Board of Trustees/Workers' Compensation Commission, NMI Retirement Fund, hereby gives notice to the general public that it has adopted proposed amendments to the WCC's Administrative Rules and Regulations pursuant to its authority under 1 CMC 8315(f) and the Administrative Procedure Act at 1 CMC 9101, et. seq.

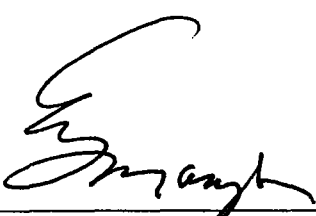
The purpose of these amendments is to provide for the effective administration of Public Law 6-17, and to provide updates of the existing regulations, and for other purposes. The Board is soliciting comments and recommendations regarding these amendments, which must be received by the Fund within 30 days of first publication of this notice.

Copies of these proposed regulations may be obtained at any of the NMI Retirement Fund offices on Saipan, Tinian and Rota.

Dated this 28th day of June, 1995.



Dino M. Jones
Chairman
Board of Trustees



Edward H. Manglona
Administrator
NMI Retirement Fund

RECEIVED BY:

FILED BY:



DONNA J. CRUZ / DATE
Office of the Governor



for SOLEDAD B. SASAMOTO / DATE
Registrar of Corporations



WORKERS' COMPENSATION COMMISSION

NORTHERN MARIANA ISLANDS RETIREMENT FUND

P.O. BOX 1247

SAIPAN, MP 96950

PHONE: (670) 234-7228 FAX: (670) 234-9624



NOTISIAN PUBLIKO POT I MAPROPOPONE NA TINILAIKA GI AREKLAMENTION I PROGRAMAN WORKERS' COMPENSATION COMMISSION

I, Board of Trustees/Workers' Compensation Commission, i Northern Mariana Islands Retirement Fund, sigun gi atoridat i lai gi 1 CMC 8315(f), yan i Administrative Procedure Act gi papa i 1 CMC 9101, et. seq., mananae noticia gi publiko pot i ha propopone na tanilaika gi areklamenton i programan Retirement Fund.

Copian este na tinilaika guaha gi ofisinan i Retirement Fund nui gaige gi primet piso gi Nauru Building, Susupe, Saipan.

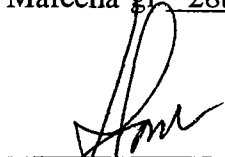
I Board of Trustees ha sosojo i publiko para ufan satmiti rekomendasion osino komentos pot este na tinilaika gi halom 30 dias despues de mapublika gi Commonwealth Register. Pot fabot satmiti todo redomendasion gi sigente na address:

NMI Retirement Fund


P. O. Box 1247

Saipan, MP 96950

Mafecha gi 28th dia de Junio, 1995.




Dino M. Jones
Chairman
Board of Trustees




Edward H. Manglona
Administrator
NMI Retirement Fund

RECEIVED BY:



DONNA J. CRUZ / DATE
Office of the Governor

FILED BY:



SOLEDAD B. SASAMOTO / DATE
Registrar of Corporations

**PROPOSED AMENDMENTS TO THE WORKERS'
COMPENSATION REGULATIONS**

The Board of Trustees/Workers' Compensation Commission (Commission) pursuant to 4 CMC 9351 (a)(1), and the Administrative Procedure Act, 1 CMC §9101, *et. seq.*, hereby proposes to promulgate and adopt these amendments to the rules and regulations governing the CNMI Workers' Compensation Program.

PART I. GENERAL PROVISIONS

Section 1. Authority. Under and by virtue of the authority granted to the Commission by 4 CMC §9351 (a)(1), the Commission proposes to promulgate the following amendment to the WCC Rules and Regulations.

Section 2. Purpose. To amend Parts 29 and 6 of the WCC Rules and Regulations.

PART II. AMENDMENTS

PART 29. SELF INSURANCE

29.101 Eligibility for Self-Insurance

- (a) *Employers with 200 or more employees.*
 - i. Any employer with at least 200 employees may elect to be self-insured provided that the employer submit an application on a form prescribed by the Commission, and meets all requirements and procedures set forth below in addition to the other requirements of the law.
 - ii. Employers whose applications are approved will be provided a certification of qualification by the Commission.
 - iii. Certification of qualification is valid for one year and must be renewed as provided by these regulations.

- (b) *Employers Unable to Secure Coverage.*
 - i. Prior to seeking coverage from outside of the Commonwealth, an employer must provide to the Commission a letter of refusal from at least three carriers authorized to do business in the Commonwealth.
 - ii. If the employer is unable to obtain coverage from authorized Commonwealth carriers, the employer may seek coverage from carriers authorized to do business in any of the states or territories of the United States.
 - iii. If the employer is unable to obtain coverage, said employer shall so certify to the Commission on a form provided by the Commission for this purpose.
 - iv. An employer who is unsuccessful in obtaining coverage and who has otherwise complied with the requirements of this section shall automatically be deemed self-insured from the date of certification of

inability to obtain coverage from at least three carriers authorized to do business in the Commonwealth.

29.102 Requirements for Self-Insured Employers

Except as otherwise noted, all statutes, rules, and regulations applicable to non-self-insured employers shall also be applicable to self-insured employers. In addition, all self-insured employers shall adhere to the following requirements:

(a) *Special Disability Fund.* Employers shall pay into the Special Disability Fund an amount equal to one percent (1%) of the total salaries paid for the quarter. In no event shall the payment to the Special Disability Fund exceed \$1,500 per quarter. Payment secured under this section shall be made pursuant to Section 29.102 of these regulations.

(b) *Payment Due Date.* All amounts due the Special Disability Fund shall be due 30 days following the end of each quarter.

(c) *Records Inspection.* A self-insured employer shall make available its records including but not limited to quarterly tax reports as well as reports pertaining to salaries and wages for inspection and review by the Commission to ensure compliance with applicable statutes and rules and regulations.

(d) *Self-Insured Notice.* Employer shall keep posted in a conspicuous place the certification of qualification provided by the Commission indicating employer is self-insured.

(e) *Renewal.* A request to re-new self-insurer status by an employer shall be submitted on a form prescribed by the Commission no later than 30 days prior to the expiration of the current certification of qualification. Renewal of self-insured status shall be effective on the date of issuance of a certification of qualification.

29.103 Penalties

(a) A civil penalty of \$100.00 shall be assessed each employer upon failure to post notice of self-insurance pursuant to Section 9343 (b) of P.L. 9-33.

(b) Employers who fail to remit payments due under the Special Disability Fund shall be assessed a penalty of ten percent (10%) per month or a fraction thereof of the amount unpaid, not to exceed 50% in the aggregate, plus interest of 12% per annum.

29.104 Termination of Self-Insurance

(a) An employer may, without penalty, purchase coverage and terminate self-insurance provided:

- i. notification is given to the Commission at least 30 days in advance of such action, and
- ii. any and all payments and penalties due under the self-insurance authorization are fully satisfied no later than at the time the change of status is made.

(b) Should employer obtain coverage and terminate the self-insurance authorization prior to the end of the quarter, payments due the Special Disability Fund shall be prorated for the actual period the self-insurance authorization is in effect.

29.105 Disposition of Receipts Upon Termination of Self-Insurance.

Employer is not entitled to a refund of any payments made, including payments made into the Special Disability Fund, in the event coverage is obtained from a carrier, or an employer has elected not to be self-insured.

PART 6. SPECIAL DISABILITY FUND

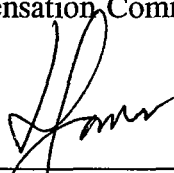
6.109 The Commission is authorized to transfer One Hundred Fifty Thousand Dollars (\$150,000.00) solely from the collected penalties and fines deposited into the Special Disability Fund for the operation and maintenance and payment of compensation claims of the Government Self Insurance Fund pursuant to 4 CMC Section 9353 (h).

6.110 The transfer of any amount from the Special Disability Fund shall be effected only in the absence of sufficient appropriation from the Legislature.

PART III. EFFECTIVE DATE

The effective date of these amendments shall be pursuant to 1 CMC §9105(b).

Adopted as proposed amendments to the WCC Rules and Regulations by the Workers' Compensation Commission this 28th day of June, 1995.



Dino M. Jones
Chairman



Edward H. Mangione
Administrator



Department of Finance

Office of the Secretary
Commonwealth of the Northern Mariana Islands
P.O. Box 5234 CHRB
Saipan, MP 96950

Cable Address
Gov. NMJ Saipan
Phone: 664-1100
Facsimile: 664-1115

JULY 12, 1995

PUBLIC NOTICE

DEPARTMENT OF FINANCE

PROPOSED AMENDMENTS TO CUSTOMS SERVICE REGULATIONS NO. 1300 AND NO. 3300

The Acting Secretary of the Department of Finance hereby provides public notice of the Proposed Amendments to Customs Service Regulations No. 1300 and No. 3300. The purpose of these amendments is to implement, interpret, prescribe, and clarify the policies and procedures required to implement, enforce, and administer the provisions of law administered and enforced by the CNMI Division of Customs Service. These amendments are promulgated by virtue of the authority and directions given to the Secretary of Finance as set forth in the Commonwealth Code including, but not limited to, 1 CMC §2553, 1 CMC §2557, 4 CMC §1104, 4 CMC §1402(d), 4 CMC §1818, and the Commonwealth Administrative Procedure Act, 1 CMC §9101 et seq.

The proposed amendments are published in the Commonwealth Register. Copies of the proposed amendments may be obtained from the Office of the Secretary of Finance, Capitol Hill, P. O. Box 5234, CHRB, Saipan, MP 96950.

Anyone interested in commenting on these proposed amendments may do so in writing addressed to the Secretary of Finance, Commonwealth of the Northern Mariana Islands, at the above-referenced address not later than thirty (30) days from the date of their publication in the Commonwealth Register.

Issued By: *[Signature]*
ANTONIO B. GABRERA
ACTING SECRETARY OF FINANCE

12 July 95
Date

Concurred by: *[Signature]*
FROILAN C. TENORIO
GOVERNOR

7/13/95
Date

Filed and Recorded by: *[Signature]*
SOLEDAD B. SASAMOTO
REGISTRAR OF CORPORATIONS

7/13/95
Date



Department of Finance

Office of the Secretary

Commonwealth of the Northern Mariana Islands

P.O. Box 5234 CNMI

Saipan, MP 96950

Cable Address

Gov. NMJ Saipan

Phone: 664-1100

Facsimile: 664-1115

Julio 12, 1995

NUTISIAN PUBLIKU

DEPATTAMENTON FAINANSIAT

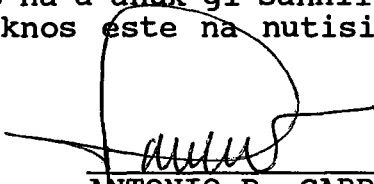
I MAPRUPONI NA AMENDACION PARA I REGULASION I SETBISION CUSTOMS NUMERU 1300 YAN 3300

I Sekretarian i Depattamenton i Fainansiat ginen este ha prubiniyi nutisian publiku pot i mapruponi na amendacion para i Regulasion i Setbision Custom Numeru 1300 yan 3300. I propositun este na amendacion i regulasion pot para uma implementa, intetpeti, preskribi yan mana klaru huyong areklamento yan direksion nu debi u guaha para uma implementa, enfuetsa, yan administra probision lai siha nu i ma administra nu i Dibision Setbision Customs gi halom i CNMI. Este siha na amendacion gi regulasion manma fatinas sigun gi aturidat i mana'e i Sekretarian i Fainansiat ginen i aturidat i CMC §2553, 1 CMC §2557, 4 CMC §1104, 4 CMC §1402(d), 4 CMC §1818, yan i Administrative Procedures Act, 1 CMC §9101 yan segenti siha.

I mapruponi na amendacion manmapublika huyong gi Rehistran i Commonwealth, ya hayi interesao na petsona sina manule kopia ginen i Ofisinan i Sekretarian i Fainansiat, Capitol Hill, Saipan, MP 96950.

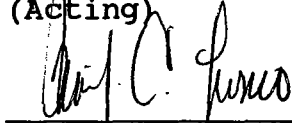
Hayi interesao mamatinas komentu pot i mapruponi na amendacion para regulasion sina ha hatugi papa ya una halom guato gi Sekretarian i Fainansiat gi address na a anak gi sanhilu, ti u mas di trenta (30) dias despues di malaknos este na nutisia gi halom i Rehistran i Commonwealth.

Linaknos:


ANTONIO R. CABRERA
Sekretarian i Fainansiat
(Acting)


12 July 95
Fecha

Kinenfotmas:
as:


FROILAN C. TENORIO
Gobetno

7/13/95
Fecha

Ma File yan
Rekod as:


for SOLEDAD B. SASAMOTO
Registrar of Corporation

7/13/95
Fecha



Department of Finance
Office of the Secretary
Commonwealth of the Northern Mariana Islands
P.O. Box 5234 CHRB
Saipan, MP 96950

Cable Address
Gov. NMI Saipan
Phone: 664-1100
Facsimile: 664-1115

CERTIFICATION

DEPARTMENT OF FINANCE

PROPOSED AMENDMENTS TO CUSTOMS SERVICE REGULATIONS
NO. 1300 AND NO. 3300

I, Antonio R. Cabrera, the Acting Secretary of the Department of Finance who is publishing these Proposed Amendments to Customs Service Regulations No. 1300 and No. 3300, by signature below hereby certifies that the Proposed Amendments to Customs Service Regulations No. 1300 and No. 3300 is a true, correct, and complete copy of the amendments proposed by the Department of Finance. I further request and direct that this certification and the Proposed Amendments to Customs Service Regulations No. 1300 and No. 3300 be published in the Commonwealth Register.

I declare under penalties of perjury that the foregoing is true and correct and that this declaration was executed on the 12th day of July, 1995, at Saipan, Commonwealth of the Northern Mariana Islands.


ANTONIO R. CABRERA
Acting Secretary of Finance



Department of Finance

Office of the Secretary

Commonwealth of the Northern Mariana Islands

P.O. Box 5234 CHRB

Saipan, MP 96950

Cable Address

Gov. NMJ Saipan

Phone: 664-1100

AMENDMENTS TO CUSTOMS SERVICE REGULATIONS Facsimile: 664-1115
NO. 1300 AND NO. 3300

1. Section 3300.8(j) of Customs Service Regulations No. 3300. Section 3300.8(j) is amended to reflect that the definition of "Cosmetics" does not include hair conditioner. Thus, §3300.8(j) is amended to read as follows:

(j) Cosmetics: includes all preparations used as applications to the hair or skin, lipsticks, eye shadows, mascara, pomades, powders, makeup and other preparations not having medicinal properties or hygienic purposes. "Cosmetics" shall also include hair spray, hair gel, hair jellies, ~~hair conditioner~~, body lotion, and body creams.

2. Section 3300.8(r) of Customs Service Regulations No. 3300. Section 3300.8(r) is amended to reflect that the definition of "Hygiene Products" includes hair conditioner. Thus, §3300.8(r) is amended to read as follows:

(r) Hygiene Products. Any goods, merchandise, or products necessary for the personal health, safety, and cleanliness of an individual except for child care products exempted under §1402(b)(5) of Chapter 4 of Title 4 of the Commonwealth Code. "Hygiene products" shall include toothpaste, shower soap, toilet tissue, shampoo, hair conditioner, deodorant, tooth brush, hair brush, dental floss, women's sanitary napkins or tampons, kleenex. "Hygiene products" shall not include hair spray, hair gels, and jellies, ~~hair conditioner~~, paper towels, napkins.

3. Section 1302.33(e)(1) of Customs Service Regulations No. 1300. Section 1302.33(e)(1) of Customs Service Regulations No. 1300 is deleted in its entirety and replaced by a new section §3307.3 to read as follows:

Section 3307.3 **Fee for Overtime Services Rendered -**
Commercial Airlines

(a) Imposition of Fee. Except as provided in subsection (c), all air carriers whose operations require the service of a Customs agent(s) of the Commonwealth Government of the Northern Mariana Islands after normal working hours shall be charged for the overtime services of the Customs agent(s) in an amount equal to the overtime pay of the Customs agent(s) calculated pursuant to this section.

(b) Definitions. For purposes of this Part, the

following definitions will apply:

(1) Normal working hours: all hours except non-normal working hours.

(2) Non-normal working hours: those between the hours of 4:30 p.m. and 7:30 a.m. Monday - Friday and any hours on a Saturday, Sunday, or legal holiday in the CNMI.

(3) Overtime Services: a CNMI Customs agent who is officially assigned to perform work in excess of the 40 hours in the officer's regularly scheduled administrative workweek or in excess of 8 hours in a day.

(4) Overtime Pay: shall include overtime compensation and applicable employer contributions for retirement and Medicare.

(A) Computation: service of less than two (2) hours for each arrival shall be charged with the minimum of one (1) hour overtime. Any fraction of an hour in excess of the two (2) hour minimum is charged a full hour. The charge shall commence thirty (30) minutes prior to the scheduled arrival time of a carrier or from the time the Customs agent leaves his home and shall terminate thirty (30) minutes after the agent leaves the post of duty.

(B) Absence During Overtime: Except as expressly authorized by statute, regulation, court order, or otherwise by law, a Customs officer shall be paid for overtime work only when the office reports for the work assignment.

(5) Administrative Workweek: a period of seven consecutive calendar days beginning Sunday and continuing through the following Saturday.

(c) Emergency Services. Overtime charges imposed by subsection (a) shall be waived when the services are rendered to a carrier operating under emergency conditions or for emergency purposes as determined by the Director, Division of Customs.

(d) Estimated Standard Charges and Billing -- Passengers and Flights. Throughout the CNMI government's fiscal year, overtime charges for clearing passengers and flights will be estimated on a monthly basis using the standard rate specified in (1) below that also includes the overtime charges of the Immigration and Quarantine Divisions.

(1) Estimated Rate. The estimated standard rate

for overtime charges is as follows:

Per flight: \$30.00
Per passenger: \$ 1.30

(2) Billing. Each carrier will be billed monthly on or before the fifth (5th) day of the month for estimated standard overtime charges incurred during the previous month. Estimated standard overtime charges will be due from the carrier on or before the fifteenth (15th) day of the month for estimated standard overtime charges incurred during the previous month and any failure to do so will be subject to all applicable penalties and interest charges.

(3) Year-End Reconciliation. After the end of the CNMI government's fiscal year, the Secretary of Finance shall compute actual costs of overtime charges in accordance with the formula specified in this subsection. Actual overtime cost charges will then be compared with the estimated standard charges made during the year under subsection (d) and each carrier will be credited or charged, as appropriate, for any differences between the actual and estimated standard charges.

(i) Customs services provided during overtime hours shall be presumed to be performed for two or more airlines during one continuous tour of overtime duty. The total charge of these services shall be prorated to the aircraft arriving during non-normal working hours. The total charges shall be prorated on the following basis incorporated into a standard charge:

(A) Seventy percent (70%) of such overtime charge for the period shall be distributed among the operators of aircrafts proportionally as the number of arriving passengers serviced for each aircraft bears to the total number of arriving passengers serviced during the period;

(B) Thirty percent (30%) of such overtime charge for the period shall be distributed among the operators of aircrafts proportionally as the number of flights services for each aircraft bears to the total number of flights serviced during the period.

The aforementioned proration formula shall apply only to overtime services rendered aircraft carrying cargo and/or passengers for hire and in no case shall the total of the prorated charge be more than the actual overtime charges incurred by

Customs, Immigration, and Naturalization or Quarantine Services.

(ii) In cases in which overtime services can be specifically assigned air carriers, air carriers shall be charged for the actual overtime incurred by the Customs, Immigration, or Quarantine agent(s) providing such services.

(e) Standard Charges and Billing -- Cargo. All air carriers whose operations require the service of a Customs agent(s) of the Commonwealth Government of the Northern Mariana Islands after normal working hours for clearance of cargo shall be charged for the overtime services of the Customs agent(s) in an amount equal to the overtime pay of the Customs agent(s) calculated pursuant to an agreement between the carrier and the Division of Customs Service.

4. Section 3307.4 of Customs Service Regulations No. 3300. A new §3307.4 is added to Customs Service Regulations No. 3300 to read as follows:

Section 3307.4 **Fee for Overtime Services Rendered - Non-Commercial Airlines**

(a) Imposition of Fee. Except as provided in subsection (c), all carriers other than commercial airlines whose operations require the service of a Customs agent(s) of the Commonwealth Government of the Northern Mariana Islands after normal working hours shall be charged for the overtime services of the Customs agent(s) in the amount specified in subsection (d).

(b) Definitions. For purposes of this Part, the following definitions will apply:

(1) Normal working hours: all hours except non-normal working hours.

(2) Non-normal working hours: those between the hours of 4:30 p.m. and 7:30 a.m. Monday - Friday and any hours on a Saturday, Sunday, or legal holiday in the CNMI.

(3) Overtime Services: a CNMI Customs agent who is officially assigned to perform work in excess of the 40 hours in the officer's regularly scheduled administrative workweek or in excess of 8 hours in a day.

(4) Overtime Pay: shall include overtime compensation and applicable employer contributions for retirement and Medicare.

(A) Computation: service of less than two

(2) hours for each arrival shall be charged with the minimum of two (2) hours overtime. Any fraction of an hour in excess of the two (2) hour minimum is charged a full hour. The charge shall commence thirty (30) minutes prior to the scheduled arrival time of a carrier or from the time the Customs agent leaves his home and shall terminate thirty (30) minutes after the agent leaves the post of duty.

(B) Absence During Overtime: Except as expressly authorized by statute, regulation, court order, or otherwise by law, a Customs officer shall be paid for overtime work only when the office reports for the work assignment.

(5) Administrative Workweek: a period of seven consecutive calendar days beginning Sunday and continuing through the following Saturday.

(c) Emergency Services. Overtime charges imposed by subsection (a) shall be waived when the services are rendered to a carrier operating under emergency conditions or for emergency purposes as determined by the Director, Division of Customs.

(d) Amount and Due Date of Overtime Charge. The amount of overtime charges imposed under this section shall be equal to the actual overtime pay of the agent(s) plus an additional 23% of the actual overtime pay of the agent(s). This charge shall be paid at the time of clearing the cargo unless the carrier has a local agent in which case the amount of the charge is due no later than thirty (30) days from the date the charges were incurred.

(2) hours for each arrival shall be charged with the minimum of two (2) hours overtime. Any fraction of an hour in excess of the two (2) hour minimum is charged a full hour. The charge shall commence thirty (30) minutes prior to the scheduled arrival time of a carrier or from the time the Customs agent leaves his home and shall terminate thirty (30) minutes after the agent leaves the post of duty.

(B) Absence During Overtime: Except as expressly authorized by statute, regulation, court order, or otherwise by law, a Customs officer shall be paid for overtime work only when the office reports for the work assignment.

(5) Administrative Workweek: a period of seven consecutive calendar days beginning Sunday and continuing through the following Saturday.

(c) Emergency Services. Overtime charges imposed by subsection (a) shall be waived when the services are rendered to a carrier operating under emergency conditions or for emergency purposes as determined by the Director, Division of Customs.

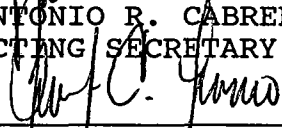
(d) Amount and Due Date of Overtime Charge. The amount of overtime charges imposed under this section shall be equal to the actual overtime pay of the agent(s) plus an additional 23% of the actual overtime pay of the agent(s). This charge shall be paid at the time of clearing the cargo unless the carrier has a local agent in which case the amount of the charge is due no later than thirty (30) days from the date the charges were incurred.

Issued By:


ANTONIO R. CABRERA
ACTING SECRETARY OF FINANCE

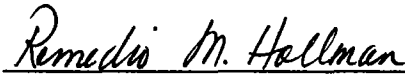
12 July 95
Date

Concurred by:


FROILAN C. TENORIO
GOVERNOR

7/13/95
Date

Filed and
Recorded by:


SOLEDAD B. SASAMOTO
REGISTRAR OF CORPORATIONS

7/13/95
Date

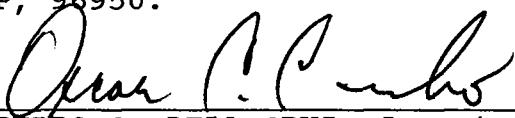
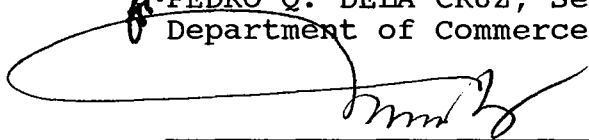
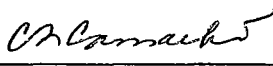


**DEPARTMENT OF COMMERCE
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
CALLER BOX 10007
C.K., SAIPAN, MP 96950**

**PUBLIC NOTICE OF ADOPTION OF REGULATIONS
CONCERNING TAXICABS UNDER THE AUTHORITY OF 1 CMC
§§ 2595, 2596(a), (d), AND EXECUTIVE ORDER 94-3
BY THE DEPARTMENT OF COMMERCE**

The Secretary of the Department of Commerce of the Commonwealth of the Northern Mariana Islands, in accordance with 1 CMC §§ 2595, 2596(a), (d) and Executive Order 94-3, Section 302(a), Reorganization Plan No. 2 of 1994, text printed in Executive Order No. 94-2, Comm. Reg. Vol. 16, No. 6, at 11931 (June 15, 1994) and Directive No. 121 (effective date August 24, 1994) proposed to adopt regulations concerning Certifications of Fitness and Fees at Commonwealth Register, vol. 17, no. 6, at 13518-13520 (June 15, 1995). The proposed regulation pertains to regulating Certifications of Fitness and Fees in the Commonwealth.

Copies of the Certifications of Fitness and Fees Regulation are available and may be obtained from the Department of Commerce, P.O. Box 10007, Saipan, MP, 96950.

<u>7/11/95</u> Date	 <hr/> PEDRO Q. DELA CRUZ, Secretary Department of Commerce
<u>7/11/95</u> Date	 <hr/> SOLEDAD B. SASAMOTO Filed by Registrar of Corporations
<u>7/11/95</u> Date	 <hr/> DONNA J. CRUZ <i>for</i> Received by Office of the Governor


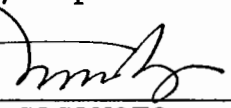
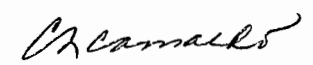


DEPARTMENT OF COMMERCE
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
CALLER BOX 10007
C.K., SAIPAN, MP 96950

NUTISIAN PARA I PUBLIKU POT I ADAPTASION SIHA
PARA I REGULASION YAN AREKLAMENTON "TAXICABS" GI PAPA'
AOTORIDAT I 1 CMC §§ 2595, 2596(a),(d), YAN OTDEN EXSAKATIBU
94-3 GINEN I DIPATTAMENTON I COMMERCE

I Secretariu I Dipattamenton i Commerce gi Commonwealth of the Northern Mariana Islands ("CNMI"), sigun i 1 CMC §§ 2595, 2596(a),(d) yan Otden Exsakatibu 94-3, Seksiona 302(a), Reorganization Planu No. 2 of 1994, ma publika gi Otden Exsakatibu No. 94-2, Comm. Reg. Vol. 16, No. 6, at 11931 (Junio 15, 1994) yan Direktibu No. 121 (effektibu Augusto 24, 1994), ha propoposa para i Regulasion Yan Areklamenton "Taxicabs" gi Commonwealth Register, vol. 17, no. 6, gi 13518-13520 (Junio 15, 1995). I mapropoposa na adaptasion tiniteka i "Settifikacions Hinemlo yan Apas" giya i Commonwealth.

Kopian i "Settifikacions Hinemlo yan Apas" Regulasion guaha yan sina machuchule' gi Department of Commerce, Caller Box 10007, Saipan, MP 96950.

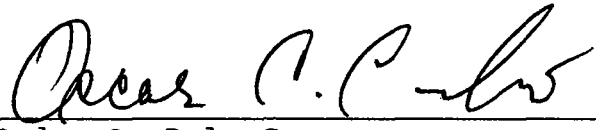
<u>7/11/95</u> Fecha	 PEDRO Q. DELA CRUZ Secretariu, Dipattamenton Commerce
<u>7/11/95</u> Fecha	 SOLEDAD B. SASAMOTO Ha file i Registrar of Corporations
<u>7/11/95</u> Fecha	 DONNA J. CRUZ Marisibisi gi Ofisinan Gobietno



DEPARTMENT OF COMMERCE
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
CALLER BOX 10007
C.K., SAIPAN, MP 96950

CERTIFICATION

I, Pedro Q. Dela Cruz, Secretary of the Department of Commerce, which is promulgating the adoption of the regulations concerning Certifications of Fitness and Fees for Taxicabs as hereinabove set forth, by signature below I hereby certify that such regulations are a true, complete, and correct copy of the promulgated adopted regulations for Certifications of Fitness and Fees for Taxicabs formally adopted by the Department of Commerce. I hereby declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 11th day of July, 1995 at Saipan, Commonwealth of the Northern Mariana Islands.


for Pedro Q. Dela Cruz
Secretary
Department of Commerce

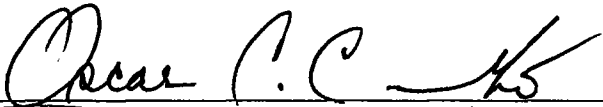
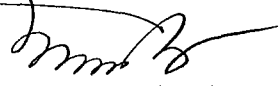
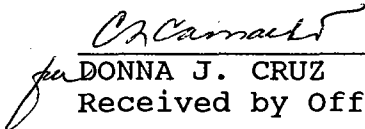


**DEPARTMENT OF COMMERCE
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
CALLER BOX 10007
C.K., SAIPAN, MP 96950**

**PUBLIC NOTICE OF ADOPTION OF REGULATIONS
CONCERNING WEIGHTS AND MEASURES UNDER THE
AUTHORITY OF 4 CMC §§ 5522, 5529, AND EXECUTIVE ORDER 94-3
BY THE DEPARTMENT OF COMMERCE**

The Secretary of the Department of Commerce of the Commonwealth of the Northern Mariana Islands, in accordance with 4 CMC §§ 5422, 5429 and Executive Order 94-3, Section 208, Reorganization Plan No. 2 of 1994, text printed in Executive Order No. 94-2, Comm. Reg. Vol. 16, No. 6, at 11924 (June 15, 1994) and Directive No. 103 (effective date August 24, 1994) proposed to adopt regulations concerning Weights and Measures at Commonwealth Register, vol. 17, no. 6, at 13548-13553 (June 15, 1995). The proposed regulation pertains to regulating Weights and Measures in the Commonwealth.

Copies of the Weights and Measures Regulation are available and may be obtained from the Department of Commerce, P.O. Box 10007, Saipan, MP, 96950.

<u>7/11/95</u> Date	 <hr/> PEDRO Q. DELA CRUZ, Secretary Department of Commerce
<u>7/11/95</u> Date	 <hr/> SOLEDAD B. SASAMOTO Filed by Registrar of Corporations
<u>7/11/95</u> Date	 <hr/> DONNA J. CRUZ Received by Office of the Governor

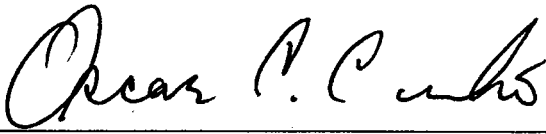
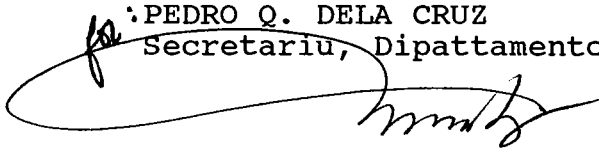
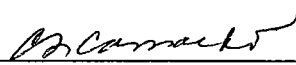


**DEPARTMENT OF COMMERCE
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
CALLER BOX 10007
C.K., SAIPAN, MP 96950**

**NUTISIAN PARA I PUBLIKU POT I ADAPTASION SIHA
PARA I REGULASION YAN AREKLAMENTON "WEIGHTS AND MEASURES"
GI PAPA' AOTORIDAT I 4 CMC §§ 5522, 5529, OTDEN EXSAKATIBU
94-3 GINEN I DIPATTAMENTON I COMMERCE**

I Secretariu i Dipattamenton i Commerce gi Commonwealth of the Northern Mariana Islands ("CNMI"), sigun i 4 CMC §§ 5522, 5529, yan Otden Exsakatibu 94-3, Seksiona 208, Reorganization Planu No. 2 of 1994, ma publika gi Otden Exsakatibu No. 94-2, Comm. Reg. Vol. 16, No. 6, at 11924 (Junio 15, 1994) yan Direktibu No. 103 (effektibu Augusto 24, 1994), ha propoposa para i Regulasion Yan Areklamenton "Pesa yan Medida" gi Commonwealth Register, vol. 17, no. 6, gi 13548-13553 (Junio 15, 1995). I mapropoposa na adaptasion tiniteka i "Pesa yan Medida" giya i Commonwealth.

Kopian i "Pesa yan Medida" Regulasion guaha yan sina machuchule' gi Department of Commerce, Caller Box 10007, Saipan, MP 96950.

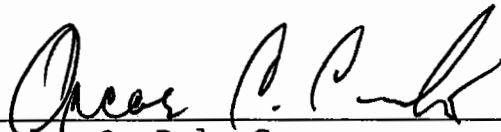
<u>7/11/95</u> Fecha	 <hr/> PEDRO Q. DELA CRUZ Secretariu, Dipattamenton Commerce
<u>7/11/95</u> Fecha	 <hr/> SOLEDAD B. SASAMOTO Ha file i Registrar of Corporations
<u>7/11/95</u> Fecha	 <hr/> DONNA J. CRUZ Marisibisi gi Ofisinan Gobietno



DEPARTMENT OF COMMERCE
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
CALLER BOX 10007
C.K., SAIPAN, MP 96950

CERTIFICATION

I, Pedro Q. Dela Cruz, Secretary of the Department of Commerce, which is promulgating the adoption of the regulatory scheme concerning the monitoring of Weights and Measures as hereinabove set forth, by signature below I hereby certify that such regulations are a true, complete, and correct copy of the promulgated adopted regulations for monitoring Weights and Measures formally adopted by the Department of Commerce. I hereby declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 11th day of July, 1995 at Saipan, Commonwealth of the Northern Mariana Islands.


Pedro Q. Dela Cruz
Secretary
Department of Commerce



BOARD OF PROFESSIONAL LICENSING
Commonwealth of the Northern Mariana Islands

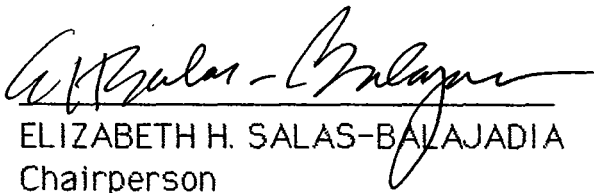
P.O. Box 2078
Saipan, MP 96950
Tel. No.: (670) 234-5897
Fax No.: (670) 234-6040

NOTICE OF ADOPTION
OF AMENDMENTS TO THE
REGULATIONS FOR ENGINEERS, ARCHITECTS,
LAND SURVEYORS AND LANDSCAPE ARCHITECTS
OF THE
BOARD OF PROFESSIONAL LICENSING


Having received no comments on the proposed amendments to the Regulations for Engineers, Architects, Land Surveyors and Landscape Architects, the Board of Professional Licensing hereby adopts this Regulations as published in the Commonwealth Register on May 15, 1995.

This said regulations takes effect ten (10) days after this publication in the Commonwealth Register.

Dated this 13th day of July, 1995.


ELIZABETH H. SALAS-BALAJADIA
Chairperson

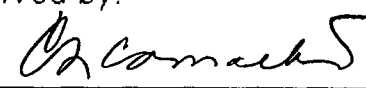
Filed by:


Soledad B. Sasamoto
Registrar of Corporations

7/13/95
Date

1:20 pm
Time

Received by:


Donna J. Cruz
Governor's Office

7/13/95
Date

2:30 pm
Time



BOARD OF PROFESSIONAL LICENSING
Commonwealth of the Northern Mariana Islands

P.O. Box 2078
Saipan, MP 96950
Tel. No.: (670) 234-5897
Fax No.: (670) 234-6040

NUTISIA PUT MA ADAPTAN
AMENDASION SIHA PARA
REGULASION ENGINEERS, ARCHITECTS,
LAND SURVEYORS YAN LANDSCAPE ARCHITECTS
GI
BOARD OF PROFESSIONAL LICENSING

Put i rason na taya muna'halom kumento put i maprupoponi siha na amendasion para Regulasion Engineers, Architects, Land Surveyors yan Landscape Architects, i Board of Professional Licensing ha infotoma i publiku na esta ha adapta este na Regulasion ni mapublika huyong gi halom Rehistran Commonwealth gi Mayu 15, 1995.

Este na Regulasion u efektibu gi halom dies (10) dias despues di mapublika huyong gi halom Rehistran Commonwealth.

Ma fecha gi 13th July, 1995

Elizabeth H. Salas Balajadia
ELIZABETH H. SALAS BALAJADIA
Chairperson

Ma file as:

Soledad B. Sasamoto
Soledad B. Sasamoto
Registrar of Corporations

7/13/95
Fecha

1:20 PM
Ora

Rinisibi as:

Donna J. Cruz
Donna J. Cruz
Ofisinan Gubetno

7/13/95
Fecha

2:30 pm
Ora



BOARD OF PROFESSIONAL LICENSING
Commonwealth of the Northern Mariana Islands

P.O. Box 2078
Saipan, MP 96950
Tel. No.: (670) 234-5897
Fax No.: (670) 234-6040

ARONGORONGOL ADOPTION
REEL LLIIWEL KKA LLÓL ÓWTOL
ALLÉGHŪL ENGINEERS, ARCHITECTS,
LAND SURVEYORS ME LANDSCAPE ARCHITECTS
MELLÓL
BOARD OF PROFESSIONAL LICENSING

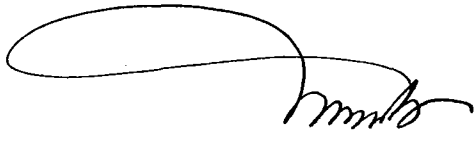
Igha esóor mángemáng me tiip kka e toolong reel lliwel kka llól Alléghŭl Engineers, Architects, Land Surveyors me Landscape Architects, nge Board of Professional Licensing aa adaptáliiló Allégh yeel iwe aa takkal toowow mellól Commonwealth Register wóol Móozo 15, 1995.

Allégh yeel nge ebwe aléghéléghéló llól seigh (10) rál sáangi igha e toowow arongorong yeel mellól Commonwealth Register.

E fféer llól maram me ráalil ye 13th July, 1995


ELIZABETH H. SALAS BALAJADIA
Chairperson

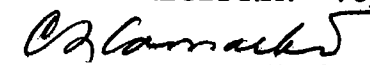
File-liiyal:


Soledad B. Sasamoto
Registrar of Corporations

7/13/95
Rál

1:20 pm
Otol

Aramas ye e bwughi:


Donna J. Cruz
Bwulasiyool Gubenko

7/13/95
Rál

2:30 pm
Otol



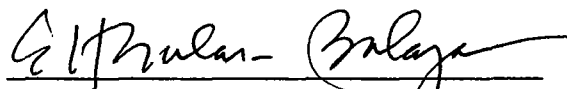
BOARD OF PROFESSIONAL LICENSING
Commonwealth of the Northern Mariana Islands

P.O. Box 2078
Saipan, MP 96950
Tel. No.: (670) 234-5897
Fax No.: (670) 234-6040

CERTIFICATION OF ADOPTION OF
AMENDMENTS TO THE
REGULATIONS FOR
ENGINEERS, ARCHITECTS, LAND SURVEYORS AND LANDSCAPE ARCHITECTS
OF THE
BOARD OF PROFESSIONAL LICENSING

I, Elizabeth H. Salas-Balajadia, Chairperson of the Board of Professional Licensing which is promulgating the Regulations for Engineers, Architects, Land Surveyors and Landscape Architects hereinabove set forth, by signature below hereby certify that such adopted amendments to the Regulations are true, complete, and correct copy of the Regulations for Engineers, Architects, Land Surveyors and Landscape Architects formally adopted by the Board of Professional Licensing.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on this 13th day of July, 1995, at Saipan, Commonwealth of the Northern Mariana Islands.


ELIZABETH H. SALAS-BALAJADIA
Chairperson



Department of Finance

Office of the Secretary

Commonwealth of the Northern Mariana Islands
P.O. Box 5234 CHRB
Saipan, MP 96950

Cable Address
Gov. NMJ Saipan
Phone: 664-1100
Facsimile: 664-1115

NOTICE OF ADOPTION

DEPARTMENT OF FINANCE

RULES AND REGULATIONS FOR THE OPERATION OF PACHINKO SLOT MACHINES IN THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS REGULATION NO. 2400

The Secretary of Finance hereby adopts as permanent regulations the Proposed Rules and Regulations for the Operation of Pachinko Slot Machines in the Commonwealth of the Northern Mariana Islands Regulation No. 2400 which were published in the March 15, 1995, Commonwealth Register. The permanent Rules and Regulations for the Operation of Pachinko Slot Machines in the Commonwealth of the Northern Mariana Islands Regulation No. 2400 are promulgated by virtue of the authority and directions set forth in the Commonwealth Code including, but not limited to, 1 CMC §2553, 1 CMC §2557, 4 CMC §1506(a), and the Commonwealth Administrative Procedure Act, 1 CMC §9101 et seq.

Rules and Regulations for the Operation of Pachinko Slot Machines in the Commonwealth of the Northern Mariana Islands Regulation No. 2400 implements, interprets, prescribes and clarifies the policies and procedures required to implement, license, regulate and supervise the operation of pachinko slot machines in the Commonwealth of the Northern Mariana Islands. Some changes were made to the proposed Rules and Regulations as the result of public comment. These changes are described in Exhibit A which is attached to this Notice and incorporated herein by reference.

A copy of the Rules and Regulations for the Operation of Pachinko Slot Machines with all changes incorporated as adopted are available at the Department of Finance, Capitol Hill, Saipan, MP 96950. Rules and Regulations for the Operation of Pachinko Slot Machines in the Commonwealth of the Northern Mariana Islands No. 2400 become effective on July 25, 1995.

Issued by:


ANTONIO R. CABRERA
ACTING SECRETARY OF FINANCE

Date

7/12/95

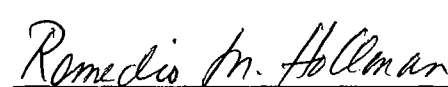
Filed with:


GOVERNOR'S OFFICE

Date

7/13/95

Filed and
Recorded by:


SOLEDAD B. SASAMOTO
REGISTRAR OF CORPORATIONS

Date

7/13/95



Department of Finance
Office of the Secretary
Commonwealth of the Northern Mariana Islands
P.O. Box 5234 CHRB
Saipan, MP 96950

Cable Address
Gov. NMJ Saipan
Phone: 664-1100
Facsimile: 664-1115

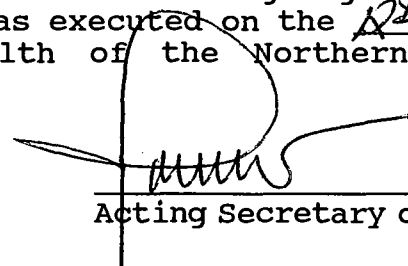
CERTIFICATION

DEPARTMENT OF FINANCE

**RULES AND REGULATIONS FOR THE OPERATION
OF PACHINKO SLOT MACHINES IN THE
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
REGULATION NO. 2400**

I, Antonio R. Cabrera, the Acting Secretary of the Department of Finance who is publishing the Notice of Adoption of the Proposed Rules and Regulations for the Operation of Pachinko Slot Machines in the Commonwealth of the Northern Mariana Islands Regulation No. 2400, by signature below certifies that the Proposed Rules and Regulations No. 2400 with all amendments incorporated as specified within the attached Notice of Adoption is a true, correct, and complete copy of the regulations adopted by the Department of Finance. I further request and direct that this certification and the Notice of Adoption with Exhibit A containing all amendments to Proposed Rules and Regulations for the Operation of Pachinko Slot Machines in the Commonwealth of the Northern Mariana Islands Regulation No. 2400 be published in the Commonwealth Register.

I declare under penalties of perjury that the foregoing is true and correct and that this declaration was executed on the 12th day of July, 1995, at Saipan, Commonwealth of the Northern Mariana Islands.



Acting Secretary of Finance

EXHIBIT A
PACHINKO SLOT MACHINE RULES AND REGULATIONS
JULY 1995
PAGE 1 OF 20

1. Section 2400.2. A sentence is added at the end of §2400.2 on page 1 as follows:

In regard to the definition of a pachinko slot machine, it is the intent of these Rules and Regulations that the definition be liberally interpreted so as to authorize the operation of pachinko slot machines in operation in Japan.

2. Section 2400.3(a). Section 2400.3(a) on page 1 is amended as follows:

(a) "Beneficial Interest" in an owner or organization means an interest (other than solely as a creditor) held by a person directly . . .

3. Section 2400.3(m)(1)(ii). Section 2400.3(m)(1)(ii) on page 3 is amended as follows:

(ii) the game must have three spinning reels wheels. Each reel must contain 22 symbols or less;

4. Section 2400.3(m)(1)(iii). The first sentence of §2400.3(m)(1)(iii) on page 3 is amended to reflect that the game must accept "three" rather than "five" U.S. quarters or approved tokens to read as follows:

(iii) the game must accept one to three ~~five~~ U.S. quarters or an approved token having a value of one U.S. quarter (hereinafter "coins" or "tokens") per game.

5. Section 2400.3(m)(1)(iii). The second sentence of §2400.3(m)(1)(iii) on page 3 is amended to read as follows:

(iii) . . . One token validates the centrally ~~located~~ positioned horizontal

EXHIBIT A
PACHINKO SLOT MACHINE RULES AND REGULATIONS
JULY 1995
PAGE 2 OF 20

payline, while two tokens validate additional two horizontal lines, top and bottom.

6. Section 2400.3(m)(1)(iii). A clause is added to the last sentence of §2400.3(m)(1)(iii) on page 3 so that this last sentence reads as follows:

Therefore, a fourth token, if inserted, will be rejected and returned into the token tray located at the bottom of the machine unless the player has selected the credit mode, in which case the extra tokens will go to the credit meter;

7. Section 2400.3(m)(1)(iv). The words "or tokens" is added after the word "coins" in §2400.3(m)(1)(iv) on page 3 so that it reads as follows:

(iv) The game must be able to count the number of coins or tokens paid out;

8. Section 2400.3(m)(1)(vi). The first sentence of §2400.3(m)(1)(vi) on page 3 is deleted and this section is amended to read as follows:

(vi) aAny inserted coins or tokens exceeding the maximum capacity of the game must be returned to the player.†

9. Section 2400.3(m)(2)(i). Section 2400.3(m)(2)(i) on pages 3-4 is amended to read as follows:

(i) the machine must have ~~at least~~ six payout levels for each coin or token wagered selectable by the operator within the range of 55 percent to 120 percent. Level 1 must show the lowest payout with other levels in ascending order;

10. Section 2400.3(m)(2)(ii). Section 2400.3(m)(2)(ii) on page 4 is amended to read as follows:

(ii) winning prizes must not exceed ~~100~~ 15 coins or tokens ~~per coin~~ wagered;

11. Section 2400.3(m)(2)(iii). Section 2400.3(m)(2)(iii) on page 4 is amended to read as follows:

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(iii) no two different wins winning combinations shall be allowed to occur for any one play, ~~except for Cherry (or equivalent) hits;~~

12. Section 2400.3(m)(2)(v). The word "reflect" in the second sentence of §2400.3(m)(2)(v) on page 4 is changed to "reflex".

13. Section 2400.3(m)(2)(vi)(A) - (D). Section 2400.3(m)(2)(vi)(A) - (D) on pages 4-5 are deleted in their entirety.

14. Section 2400.3(m)(2)(vii). Section 2400.3(m)(2)(vii) on page 5 is amended to read as follows:

(vii) the number of coins or tokens paid out for Single Bonus, Regular Bonus, and Big Bonus hits must not exceed 70 percent of the total number of coins or tokens paid out for all winning hits;

15. Section 2400.3(m)(2)(viii). Section 2400.3(m)(2)(viii) on page 5 is amended to read as follows:

(viii) the number of coins or tokens paid out for Regular Bonus and Big Bonus hits must not exceed 60 percent of the total number of coins or tokens paid out for all winning hits.

16. Section 2400.3(m)(3)(i). The last sentence of §2400.3(m)(3)(i) on page 5 is deleted and the contents of §2400.3(m)(3)(iv) on page 6 are moved to the end of §2400.3(m)(3)(i) so that this section reads as follows:

(i) the reels must start spinning when the start lever is pressed. All the reels must spin simultaneously with the speed of 80 RPM or less. ~~If the lever is pressed before 4.1 seconds pass after the previous lever activation, the reels must not spin until 4.1 seconds pass (the game requires 4.1 seconds to complete one play cycle).~~ The machine may not allow any two plays within a time period of 4.1 seconds, which shall be measured at the moment of the start switch activation. If a second play is initiated before 4.1 seconds have elapsed, the play will be suspended until

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this cycle is complete;

17. Section 2400.3(m)(3)(ii). The second sentence of §2400.3(m)(3)(ii) on page 5 is deleted and replaced with the following:

The game must not acknowledge subsequent stop buttons until a minimum of 0.2 seconds have passed from the previous actuation of a stop button.

18. Section 2400.3(m)(3)(v). Section 2400.3(m)(3)(v) on page 6 is renumbered as §2400.3(m)(3)(iv) and the word "activated" in the first line is changed to "actuated".
19. Section 2400.3(m)(5)(i). Section 2400.3(m)(5)(i) on page 6 is deleted in its entirety and §2400.3(m)(5)(ii) is renumbered as §2400.3(m)(5)(i).
20. Sections 2400.3(m)(5)(iii) and (iv). Sections 2400.3(m)(5)(iii) and (iv) on pages 6-7 are deleted in their entirety and §2400.3(m)(5)(v) is renumbered as §2400.3(m)(5)(ii).
21. Section 2400.3(m)(5)(vi). Section 2400.3(m)(5)(vi) on page 7 is renumbered as §2400.3(m)(5)(iii) and amended to read as follows:

(iii) the machine must have a microprocessor, ROM (read only memory) to contain programs, RAM (random access memory), and a random number generator (hardware ~~of~~ or software). ~~These items must be enclosed in a key locked metal cabinet.~~

22. Sections 2400.3(m)(5)(vii) - (x). Sections 2400.3(m)(5)(vii) - (x) on page 7 are deleted in their entirety.
23. Section 2400.3(m)(6)(i). A sentence is added to §2400.3(m)(6)(i) so that this section reads as follows:

(i) the machine must be capable of automatically clearing the RAM (random access memory) if any error condition occurs. However, errors are to be cleared only as provided by §2400.12;

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24. Sections 2400.3(m)(6)(vii) and (viii). Sections 2400.3(m)(6)(vii) and (viii) on page 8 are deleted in their entirety.
25. Section 2400.3(m)(7). The caption to §2400.3(m)(7) on page 8 is changed from "Coin Acceptors, Bill Acceptors, and Hoppers or Printers Requirements" to "Coin Acceptors".
26. Section 2400.3(m)(7)(i). The last sentence of §2400.3(m)(7)(i) on page 8 is deleted in its entirety.
27. Sections 2400.3(m)(7)(iii) - (v). Sections 2400.3(m)(7)(iii) - (v) on page 8 are deleted in their entirety.
28. Section 2400.3(w). Section 2400.3(w) on page 9 containing the definition of "Token" is renumbered as §2400.3(bb).
29. Section 2400.3(v). Section 2400.3(v) on page 9 containing the definition of "Software" is renumbered as §2400.3(aa).
30. Section 2400.3(u). Section 2400.3(u) on page 9 containing the definition of "Skimming" is renumbered as §2400.3(z).
31. Section 2400.3(t). Section 2400.3(t) on page 9 containing the definition of "Random Number Generator" is renumbered as §2400.3(w).
32. Section 2400.3(s). Section 2400.3(s) on page 9 containing the definition of "ROM (Read Only Memory)" is renumbered as §2400.3(v).
33. Section 2400.3(r). Section 2400.3(r) on page 9 containing the definition of "RAM (Random Access Memory)" is renumbered as §2400.3(u).
34. Section 2400.3(q). Section 2400.3(q) on page 9 containing the definition of "Progressive" is renumbered as §2400.3(t).
35. Section 2400.3(p). Section 2400.3(p) on page 9 containing the definition of "Person" is renumbered as §2400.3(s).
36. Section 2400.3(o). Section 2400.3(o) on page 9 containing the definition of "Payback Percentage" is renumbered as §2400.3(r).
37. Section 2400.3(n). Section 2400.3(n) on pages 8-9 containing

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the definition of "Pachinko Slot Machine or Similar Amusement Machines" is renumbered as §2400.3(q).

38. Section 2400.3(m). Section 2400.3(m) on pages 3-8 containing the definition of "Pachinko Slot Machine" is renumbered as §2400.3(p).
39. Section 2400.3(l). Section 2400.3(l) on page 2-3 containing the definition of "Organization" is renumbered as §2400.3(o).
40. Section 2400.3(k). Section 2400.3(k) on page 2 containing the definition of "On-Line" is renumbered as §2400.3(n).
41. Section 2400.3(j). Section 2400.3(j) on page 2 containing the definition of "Moral Turpitude" is renumbered as §2400.3(m).
42. Section 2400.3(i). Section 2400.3(i) on page 2 containing the definition of "Hit Frequency" is renumbered as §2400.3(k).
43. Section 2400.3(h). Section 2400.3(h) on page 2 containing the definition of "Hardware" is renumbered as §2400.3(j).
44. Section 2400.3(g). Section 2400.3(g) on page 2 containing the definition of "Drop Box" is renumbered as §2400.3(h).
45. Section 2400.3(f). Section 2400.3(f) on page 2 containing the definition of "Drop" is renumbered as §2400.3(g).
46. Section 2400.3(e). Section 2400.3(e) on page 2 containing the definition of "CRC (Cyclical Redundancy Check)" is renumbered as §2400.3(f).
47. Section 2400.3(d). Section 2400.3(d) on page 2 containing the definition of "Coin Acceptor" is renumbered as §2400.3(e).
48. Section 2400.3(c). Section 2400.3(c) on page 2 containing the definition of "Chi-Squared Test" is renumbered as §2400.3(d).
49. Section 2400.3(b). The contents of §2400.3(b) on page 2 regarding the definition of "bill or token acceptor" is deleted in its entirety and replaced with the following:

(b) "Reflex" means a defined point in the software which is used to control the game's payout percentage based on the performance history of the machine.

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50. Section 2400.3(b). Subsection (b) of §2400.3 on page 2 containing definition of "Reflex" is renumbered as subsection (c).

51. Section 2400.3(b). A definition is added for the word "Big Bonus" and numbered as §2400.3(b) containing the following:

(b) "Big Bonus" allows 30 plays to hit three Regular Bonuses. The machine ends the Big Bonus mode when the player hits Regular Bonus three times before completing 30 plays or when the player finishes 30 plays before hitting three Regular Bonuses. Each of the three Regular Bonuses is hit within the software probability range of 1/10 to 9/10.

52. Section 2400.3(i). A definition is added for the word "Free Play" and numbered as §2400.3(i) containing the following definition:

(i) "Free Play": A prize for Free Play is one chance of play without inserting a coin or token. No coin or token will be paid out as a prize. The machine will automatically grant the same amount of bet as for the previous play. Free play occurs with the software probability of 1/7.3 or higher.

53. Section 2400.3(l). A definition is added for the word "Interflag" and numbered as §2400.3(l) containing the following definition:

(l) "Interflag": Interflag, as used for Regular Bonus and Big Bonus to ensure the bonus round, is awarded to the player when it is selected by the random number generator. This interflag mode may last one to several games depending upon the player's ability to line up the selected bonus combination.

54. Section 2400.3(q). Section 2400.3(q) containing definition of "Pachinko Slot Machine or Similar Amusement Machines" is amended to read as follows:

(n) "Pachinko Slot Machine or Similar Amusement Machines" means a machine defined by §2400.3(p) of these Rules and Regulations. A

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"similar amusement machine" for purposes of P.L. 9-29 is a machine known by some other name which meets the definition of a pachinko slot machine in §2400.3(p~~m~~) of these Rules and Regulations.

55. Section 2400.3(x). A definition is added for the word "Regular Bonus" and numbered as §2400.3(x) containing the following definition:

(x) "Regular Bonus" allows 12 plays to hit eight bonuses. The machine ends the Regular Bonus mode when the player hits a bonus eight times before completing 12 plays or when the player finishes 12 plays before hitting eight bonuses. Each of the eight bonuses is hit within the software probability range of 1/3 to 2.7/3.

56. Section 2400.3(y). A definition is added for the word "Single Bonus" and numbered as §2400.3(y) containing the following definition:

(y) "Single Bonus" gives one chance of a bonus play that allows to hit the highest pay combination (15 tokens). In this mode, the game takes only one token and it is played only on the center payline. Single bonus is hit within the software probability range of 1/3 to 2.7/3.

57. Section 2400.4(a)(4). Section 2400.4(a)(4) on page 10 is amended to read as follows:

(4) the ~~intended~~ location ~~{by building, village and island}~~ of each machine;

58. Section 2400.4(a)(6)(iii). The reference to §2400.3(m)(5)(i) in §2400.4(a)(6)(iii) on page 10 is deleted so that §2400.4(a)(6)(iii) is amended to read as follows:

(iii) stating whether or not the payback percentage range ~~in Section 2400.3(m)(5)(i)~~ can be modified and to what extent;

59. Section 2400.4(a)(6)(iv). Section 2400.4(a)(6)(iv) on page 10

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is amended to read as follows:

(iv) stating that the machine to be licensed qualifies as a "pachinko slot machine" pursuant to Section 2400.3(~~pm~~) or Section 2400.3(~~gn~~) of these Rules and Regulations.

60. Section 2400.4(a)(7). A sentence is added to the end of §2400.4(a)(7) on page 10 as follows:

In lieu of providing the signature of each person or organization holding a beneficial interest in the owner of the machine, a primary officer, person in control of such person or organization, or designated representative may affix his or her signature for the person or organization holding a beneficial interest in the owner of the machine;

61. Section 2400.4(a)(13). A sentence is added to §2400.4(a)(13) on page 11 as follows:

However, this requirement shall not apply to newly organized entities for which the Department of Finance determines that no letter of compliance may be issued.

62. Section 2400.4(a)(1). Section 2400.4(a)(1) on page 10 is deleted in its entirety.

63. Section 2400.4(a)(2). Section 2400.4(a)(2) on page 10 is renumbered as §2400.4(a)(1).

64. Section 2400.4(a)(3). Section 2400.4(a)(3) on page 10 is renumbered as §2400.4(a)(2).

65. Section 2400.4(a)(4). Section 2400.4(a)(4) on page 10 is renumbered as §2400.4(a)(3).

66. Section 2400.4(a)(5). Section 2400.4(a)(5) on page 10 is renumbered as §2400.4(a)(4).

67. Section 2400.4(a)(6). Section 2400.4(a)(6) on page 10 is renumbered as §2400.4(a)(5).

68. Section 2400.4(a)(7). Section 2400.4(a)(7) on page 10 is

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- renumbered as §2400.4(a)(6).
69. Section 2400.4(a)(8). Section 2400.4(a)(8) on page 10 is renumbered as §2400.4(a)(7).
70. Section 2400.4(a)(9). Section 2400.4(a)(9) on pages 10-11 is renumbered as §2400.4(a)(8).
71. Section 2400.4(a)(10). Section 2400.4(a)(10) on page 11 is Renumbered as §2400.4(a)(9).
72. Section 2400.4(a)(11). Section 2400.4(a)(11) on page 11 is renumbered as §2400.4(a)(10).
73. Section 2400.4(a)(12). Section 2400.4(a)(12) on page 11 is renumbered as §2400.4(a)(11).
74. Section 2400.4(a)(13). Section 2400.4(a)(13) on page 11 is renumbered as §2400.4(a)(12).
75. Section 2400.4(a)(14). Section 2400.4(a)(14) on page 11 is renumbered as §2400.4(a)(13).
76. Section 2400.4(a)(15). Section 2400.4(a)(15) on page 11 is renumbered as §2400.4(a)(14).
77. Section 2400.4(c). Section 2400.4(c) on page 11 is amended to add the word "license" after the words "pachinko slot machine" and the contents of §2400.4(c) are moved to the end of §2400.5(b) so that §2400.5(b) is amended to read as follows:

(b) The application procedure for renewal of a pachinko slot machine license is pursuant to Section 2400.4 of these Rules and Regulations as specified therein. The Department of Finance may prescribe a different application form for renewal of a pachinko slot machine license which may require the same, more, or less information than that required in an initial application.

78. Section 2400.4(d). Section 2400.4(d) on page 11 is renumbered as §2400.4(c).
79. Section 2400.6. The contents of §2400.6 on pages 12-17 are deleted in their entirety and replaced with the following:

Section 2400.6 Distribution and

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Allocation of Pachinko Slot Machine Licenses

(a) **Submission of Declarations of Intent.**

(1) All persons interested in applying for a pachinko slot machine license must submit a Declaration of Intent to the Department of Finance no earlier than the effective date of these Rules and Regulations and no later than fifteen (15) working days (as determined under CNMI law) after the effective date of these Rules and Regulations.

(i) All Declarations of Intent or applications received after the submission deadline date specified in §2400.6(a)(1) will be considered untimely, will not be accepted, and the applicant will not be eligible for issuance of a pachinko slot machine license sought by the untimely application.

(ii) All Declarations of Intent or applications submitted prior to the beginning of the submission deadline date specified in §2400.6(a)(1), in any manner and in any form, are not deemed Declarations of Intent or applications pursuant to these Rules and Regulations.

(iii) All Declarations of Intent must be received by the Department of Finance prior to the expiration of the submission deadline date specified in §2400.6(a)(1).

(2) All Declarations of Intent shall be submitted on the form prescribed by the Secretary of Finance and must contain all information required by the Secretary including the following:

(i) The name, address, telephone number, tax identification number, and signature of the applicant;

(ii) The number of licenses for which the applicant is requesting.

All Declarations of Intent not submitted in the proper form or not containing all required information shall not be considered by the Department and will be returned to

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the applicant. Any resubmission of Declarations of Intent must be done prior to the expiration of the submission deadline date specified in §2400.6(a)(1), unless the Secretary grants a reasonable extension of time which would not conflict with the intent or purpose of these Rules and Regulations.

(3) All Declarations of Intent must be accompanied by an application fee in the amount of one-thousand dollars (\$1,000) plus one-hundred dollars (\$100) for each additional license requested exceeding 10. For example, an applicant requesting 25 licenses must submit an application fee in the amount of \$2,500 (i.e., \$1,000 plus [15] x [100]).

(i) All application fees shall be applied to license fees as provided in §2400.6(c)(2)(i). Any persons not receiving licenses equal in value to the application fee submitted shall be refunded the appropriate portion of the application fee within 30 days from the date of the lottery specified in §2400.6(c)(1).

(ii) The total application fee must be submitted in the form of cash, certified check, or cashier's check. The Department of Finance will not accept personal checks, business checks, or any other form of compensation for the application fee. All Declarations of Intent submitted without the total application fee in the proper mode of payment will not be considered by the Department and will be returned to the applicant. Any resubmission of Declarations of Intent must be done prior to the expiration of the submission deadline date specified in §2400.6(a)(1) above, unless the Secretary of Finance grants a reasonable extension of time which would not conflict with the intent or purpose of these Rules and Regulations.

(4) Upon receipt of a Declaration of Intent for a pachinko slot machine license, the Department of Finance may visit the premises designated in the Declaration of Intent and determine that the information contained in the Declaration of Intent is true and correct.

(b) Distribution - In General. Pursuant to Pub. L. 9-29, the total number of pachinko licenses to be issued shall

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not exceed 500 for the Third Senatorial and 200 each for the First and Second Senatorial Districts. The licenses allowed to be issued by law as requested by Declarations of Intent shall be distributed as follows:

(1) Excessive Applicants. To the extent that the total number of licenses requested by Declaration of Intent in a Senatorial District received on or before the expiration of the submission deadline date specified in §2400.6(a)(1) exceed that allowed to be issued by law, the licenses shall be distributed and issued pursuant to §2400.6(c) of these Rules and Regulations.

(2) Non-excessive Applicants. To the extent that the total number of licenses requested by Declaration of Intent in a Senatorial District received on or before the expiration of the submission deadline date specified in §2400.6(a)(1) do not exceed that allowed to be issued by law, licenses shall be distributed and issued pursuant to §2400.6(d) of these Rules and Regulations.

(c) Procedure for Distribution of Licenses -- Excessive Applications. Pachinko slot machine licenses shall be distributed and issued pursuant to §2400.6(c) in instances in which the number of licenses requested by Declaration of Intent in a Senatorial District exceed the amount allowed to be issued under law in that Senatorial District. Licenses shall be distributed and issued pursuant to the following procedure:

(1) Lottery. All licenses shall be distributed in a public lottery to be conducted within thirty (30) days after the expiration of the submission deadline date specified in §2400.6(a)(1). The lottery will be held in a place and at the time specified by the Secretary of Finance and will be open to the public.

(i) At least ten (10) days prior to the date the lottery is to be conducted, the Secretary of Finance shall conduct a public meeting at a time and place specified by the Secretary of Finance for the purpose of discussing the procedure to be followed for the issuance of licenses pursuant §2400.6(c);

(ii) Prior to the lottery being held, the Secretary of Finance will determine the names and

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number of applicants from the Declarations of Intent timely and properly received and the number of licenses requested. For each license requested by an applicant, two lottery tickets will be placed in a lottery pool for the applicant. For example, if an applicant requests 500 licenses, the applicant would be eligible for 1,000 lottery tickets; if an applicant requests 50 licenses, the applicant would be eligible for 100 lottery tickets;

(iii) All lottery tickets will then be placed in a lottery pool. The maximum number of licenses an applicant can be eligible to receive pursuant to the lottery is fifty (50). As each ticket is drawn from the lottery pool, an applicant is eligible to receive the lesser of 2 pachinko machine licenses or the amount of licenses for which the applicant has applied up to the maximum of fifty (50) licenses. As a ticket is drawn from the lottery pool, it will not be replaced in the lottery pool but will be removed. The lottery will continue until the quota of pachinko machine licenses has been reached in that particular Senatorial District;

(iv) All tickets remaining in the lottery pool after the quota of pachinko machine licenses has been reached shall be sealed in the lottery pool and placed in the vault at the Division of Procurement and Supply to be reopened only as provided in §2400.6(c)(3) of these Rules and Regulations.

(v) The Secretary of Finance is permitted to establish any necessary procedure which does not conflict with these Rules and Regulations which is necessary for the administration and distribution of licenses distributed pursuant §2400.6(c). All such procedures established shall be placed in writing and submitted to each license applicant.

(2) Issuance of License and Eligibility. Upon becoming eligible to receive a pachinko slot machine license under the provisions of this subsection, the Department of Finance will issue licenses pursuant to the following procedures:

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(i) License Fee. Within 10 days after the lottery is conducted, all applicants eligible to receive a pachinko slot machine license by lottery must submit the full license fees as prescribed by law for the number of licenses awarded. Each applicant is entitled to a credit against the license fee of the application fee submitted pursuant to §2400.6(a)(3). The total license fee must be submitted in the form of cash, certified check, or cashier's check. The Department of Finance will not accept personal checks, business checks, or any other form of compensation for the application fee;

(A) If the pachinko slot machine annual license fee is increased by law on or prior to the deadline by which the license fee must be paid as specified above, each applicant must submit the additional license fee in the mode of payment specified in these Rules and Regulations in order to be eligible to receive licenses pursuant to this section;

(ii) Applications. Within 60 days after the date of the lottery, all applicants eligible to receive a pachinko slot machine license by lottery must submit an application as prescribed by §2400.4 of these Rules and Regulations;

(iii) Issuance. Upon receipt of a completed application for a pachinko slot machine license:

(A) the Department of Finance will review all applications and supporting documents to ensure full compliance with these Rules and Regulations;

(B) The Department of Finance may visit the premises designated in the application and certify that the information contained in the application is true and correct and that the machines and applicants are in full compliance with these Rules and Regulations;

(C) If the application meets all requirements, a license will be issued within 60 days from the date of the receipt of the

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application in the proper form. Said license shall be in writing and must be posted on the premises where the machine is located in such a manner as will be visible to the public.

(iv) Denial. An application for initial license may be denied as specified under §2400.23 of these Rules and Regulations and pursuant to the procedures prescribed by §2400.25.

(A) if an applicant is denied a pachinko slot machine license, the licenses allocated to that applicant will be distributed in an additional lottery. Persons eligible to receive licenses in this additional lottery are only those applicants who have tickets remaining in the lottery pool as specified in §2400.6(c)(1)(iv). The lottery will be open to the public and will be conducted at the time specified by the Secretary of Finance and pursuant to the procedures prescribed by the Secretary of Finance.

(v) Payment of Taxes, etc.. Before a license is issued, all charges, taxes and fees relating to pachinko slot machines must be fully paid, including applicable penalty and interest charges.

(vi) Proper Identification. All pachinko slot machines imported into the Commonwealth for commercial use must be properly identified pursuant to §2400.11 of these Rules and Regulations. Pachinko slot machines not properly identified shall not be issued a license.

(3) Return of Application Fee. Within thirty (30) days from the date of the lottery, all applicants not receiving the full amount of licenses requested shall be refunded any application fees paid on licenses not received.

(d) Procedure for Distribution of Licenses -- Non-Excessive Applications. Pachinko slot machine licenses shall be distributed and issued pursuant to §2400.6(d) in instances in which the number of licenses requested by Declaration of Intent in a Senatorial District do not exceed the amount allowed to be issued under law in that Senatorial District.

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Licenses shall be issued as follows:

(1) License Fee. Within 10 days after the expiration of the submission deadline date specified in §2400.6(a)(1), all applicants must submit the full license fees as prescribed by law for the number of licenses requested. Each applicant is entitled to a credit against the license fee of the application fee submitted pursuant to §2400.6(a)(3)(i). The total license fee must be submitted in the form of cash, certified check, or cashier's check. The Department of Finance will not accept personal checks, business checks, or any other form of compensation for the application fee;

(i) If the pachinko slot machine annual license fee is increased by law on or prior to the deadline by which the license fee must be paid as specified above, each applicant must submit the additional license fee in the mode of payment specified in these Rules and Regulations in order to be eligible to receive licenses pursuant to this section.

(2) Applications. Within 60 days after the expiration of the submission deadline date specified in §2400.6(a)(1), all applicants must submit an application pursuant to §2400.4 of these Rules and Regulations on the form prescribed by the Secretary of Finance.

(3) Issuance of License and Eligibility. Upon receipt of a completed application for a pachinko slot machine license:

(i) the Department of Finance may visit the premises designated in the application and certify that the information contained in the application is true and correct and that the machines and applicants are in full compliance with these Rules and Regulations;

(ii) the Department of Finance will review all applications and supporting documents to ensure full compliance with these Rules and Regulations;

(iii) If the application meets all requirements, a license will be issued within 60

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days from the date the application was submitted in proper form. Said license shall be in writing and must be posted on the premises where the machine is located in such a manner as will be visible to the public.

(4) Denial of License. An application for initial license may be denied as specified in §2400.23 of these Rules and Regulations pursuant to the procedure specified in §2400.25(a) of these Rules and Regulations.

(5) Payment of Taxes, etc. Before a license is issued, all charges, taxes and fees relating to pachinko slot machines must be fully paid, including applicable penalty and interest charges.

(6) Proper Identification. All pachinko slot machines imported into the Commonwealth for commercial use must be properly identified pursuant to §2400.11 of these Rules and Regulations. Pachinko slot machines not properly identified shall not be issued a license.

(7) Untimely Applications. All licenses requested pursuant to an original Declaration of Intent received after the expiration of the submission deadline date specified in §2400.6(a)(1) shall be distributed on a first come, first serve basis pursuant to §2400.6(d)(1) - (5).

(e) If after the issuance or adoption of these Rules and Regulations, the restrictions on the number of pachinko slot machine licenses are removed by law so that there is no limit on the number of pachinko slot machine licenses that may be issued, the procedure for the issuance and distribution of pachinko slot machine licenses shall be pursuant to Subsection (d) of this Section. However, if such occurs, licenses must be issued within sixty (60) days of the later of [1] the date such bill is signed into law or [2] the date the application is submitted.

80. Section 2400.9(a). Section 2400.9(a) on page 18 is amended as follows:

(a) Licensed pachinko slot machines must bear a numbered tag on the top right-hand corner (or lower left or right corners) of the screen or . . .

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81. Section 2400.12(a)(6). Section 2400.12(a)(6) on page 19 is amended by deleting all words after the words "illegal entry" so that §2400.12(a)(6) reads as follows:

(6) the machine must resist forced or illegal entry;

82. Section 2400.12(a)(7). Section 2400.12(a)(7) on page 19 is amended by deleting the words "hopper runaway or extra coin(s) paid out" and "and low battery (RAM backup)" so that §2400.12(a)(7) reads as follows:

(7) each machine must be capable of detecting and displaying hopper failure to make payment, defective RAM, program error, ~~hopper runaway or extra coin(s) paid out, and~~ reverse coin-in, ~~and low battery (RAM backup)~~. These errors must be cleared by an attendant;

83. Section 2400.12(a)(8). Section 2400.12(a)(8) on page 19 is amended to delete all words after "coin-out error" so that §2400.12(a)(8) reads as follows:

(8) each machine must be capable of detecting and displaying coin-in error, and coin-out error, ~~and reel spin error, if applicable. These errors may be automatically cleared if there is no effect to the player;~~

84. Section 2400.12(a)(9). Section 2400.12(a)(9) on page 19 is amended to delete all words after the words "for that game" so that §2400.12(a)(9) reads as follows:

(9) any malfunction of the machine must void all pays and plays for that game ~~and must be clearly marked on the machine;~~

85. Section 2400.12(a)(10). Section 2400.12(a)(10) on page 19-20 is deleted in its entirety and §2400.12(a)(11) on page 20 is renumbered as §2400.12(a)(10).

86. Sections 2400.12(a)(12) and (13). Sections 2400.12(a)(12) and (13) on page 20 are deleted in their entirety.

87. Section 2400.13. Section 2400.13 on pages 20-21 is deleted in its entirety and §2400.13 is retained as a Reserved Section.

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88. Section 2400.14(b)(2). Section 2400.14(b)(2) on page 21 is deleted in its entirety and §2400.14(b)(3) is renumbered as §2400.14(b)(2).

89. Section 2400.18(b). The last sentence of §2400.18(b) on page 22 is amended to read as follows:

A sign must be ~~visibly~~ prominently displayed on the entrance door ~~outside~~ of the separate room or on the entrance door of the establishment if no separate room is required ~~at the entrance~~ which reads "No Person Under 18 Years Old Allowed".

90. Section 2400.23(a). Section 2400.23(a) on page 23 is amended to read as follows:

(a) Pursuant to the procedures prescribed within these Rules and Regulations, ~~t~~The Secretary of Finance may ~~grant or~~ deny an application for a license or revoke a license issued on any one or more of the factors herein listed:

91. Section 2400.25(a). The last sentence of §2400.25(a) on page 26 is amended to change the word "acting" to the word "acted".

92. Section 2400.28. Section 2400.28 is renumbered as §2400.29.

93. Section 2400.28. A new section 2400.28 is added containing the following:

Section 2400.28 General Waiver Authority. The Secretary of Finance shall have the authority to waive any provisions of these Rules and Regulations if such is in the best interests of the industry.



Department of Finance

Office of the Secretary

Commonwealth of the Northern Mariana Islands

P.O. Box 5234 CHRB

Saipan, MP 96950

Cable Address

Gov. NMJ Saipan

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RULES AND REGULATIONS FOR THE OPERATION OF PACHINKO SLOT MACHINES IN THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS (EFFECTIVE JULY 25, 1995)

Section 2400.1 **Rule Making Authority** The Rules and Regulations hereinafter set forth, and from time to time amended, are promulgated pursuant to the authority and directions set forth in the Commonwealth Code including, but not limited to, 1 CMC §2553, 1 CMC §2557, 4 CMC §1506(a), and the Commonwealth Administrative Procedure Act, 1 CMC §9101 et seq.

Section 2400.2 **Introduction and Purpose.** The Rules and Regulations are herein set forth, and from time to time amended, are enacted to implement, interpret, prescribe and clarify the policies and procedures required to implement, license, regulate and supervise the operation of pachinko slot machines in the Commonwealth of the Northern Mariana Islands. Where permissible or appropriate, these Rules and Regulations shall have the force of law. These Rules and Regulations are subject to continuing review and modification and may be amended, modified, or repealed as deemed appropriate by the Secretary of Finance. In regard to the definition of a pachinko slot machine, it is the intent of these Rules and Regulations that the definition be liberally interpreted so as to authorize the operation of pachinko slot machines in operation in Japan.

Section 2400.3 **Definitions** For purposes of these pachinko slot machine Rules and Regulations, unless otherwise specifically expressed:

(a) "Beneficial Interest" in an owner or organization means an interest (other than solely as a creditor) held by a person directly or indirectly: (1) that entitles such person to control, directly or indirectly, such organization; or (2) which permits a person to share in any income or profit earned from a licensed pachinko slot machine; or (3) which constitutes more than five percent (5%) of the shares of voting stock or other voting securities which control or regulate the operation of the organization; or (4) that entitles such person to more than five percent (5%) of the earnings and profits or distributions of such organization; or

(5) that entitles such person to five percent (5%) or more of the assets of such corporation upon the liquidation or dissolution of such organization; or (6) from which such person receives or is legally entitled to receive over a period of time, interest payments, dividends, or other payments totalling more than Five Thousand Dollars (\$5,000.00), other than payments with respect to bonds, certificates of deposits, notes or other evidences of indebtedness which are generally offered to members of the public and for which such person paid a fair market value.

(b) "Big Bonus" allows 30 plays to hit three Regular Bonuses. The machine ends the Big Bonus mode when the player hits Regular Bonus three times before completing 30 plays or when the player finishes 30 plays before hitting three Regular Bonuses. Each of the three Regular Bonuses is hit within the software probability range of 1/10 to 9/10.

(c) "Reflex" means a defined point in the software which is used to control the game's payout percentage based on the performance history of the machine.

(d) "Chi-Squared Test" means a statistical test used to measure the randomness of a random number generator.

(e) "Coin Acceptor" means a device that determines the validity of a coin or token inserted into the pachinko slot machine.

(f) "CRC (Cyclical Redundancy Check)" means a commonly used method of checking the validity of stored memory.

(g) "Drop" means the total amount of coins, tokens, bills, or tickets removed from the drop box or for credit play, the amounts deducted from a player's game account as a result of machine play.

(h) "Drop Box" means a container in a locked portion of the machine or its cabinet used to collect the coins, tokens, bills, or tickets retained by the machine that is not used to make automatic payouts from the machine.

(i) "Free Play": A prize for Free Play is one chance of play without inserting a coin or token. No coin or token will be paid out as a prize. The machine will automatically grant the same amount of bet as for the previous play. Free play occurs with the software probability of 1/7.3 or higher.

(j) "Hardware" means the physical components of the pachinko slot machine, or other related equipment.

(k) "Hit Frequency" means the ratio of games played to the number of winning outcomes.

(l) "Interflag": Interflag, as used for Regular Bonus and Big Bonus to ensure the bonus round, is awarded to the player when it is selected by the random number generator. This interflag mode may last one to several games depending upon the player's ability to line up the selected bonus combination.

(m) "Moral Turpitude" means a crime, whether a felony or misdemeanor, that involves illegal gambling, bookmaking, embezzlement, theft, bribery, use of controlled substance, corruption, abuse of a minor, contribution to the delinquency of a minor, or any other act or conduct that could or may impair a person's ability to perform his or her duties related to the supervision of the operation of a pachinko slot machine;

(n) "On-Line" means that the machine can be queried for information at any time by a remote monitoring device and information is gathered away from the machine.

(o) "Organization" means a corporation, partnership, joint stock association, sole proprietorship, joint venture, business association, cooperative association, professional corporation, or other entity existing for any purpose.

(p) "Pachinko Slot Machine" means any electric or electromechanical device or contrivance which meets all of the following requirements:

(1) General requirements:

(i) a random number generator must be used to select any winning symbol combination for each game. The random number generator must have a minimum of 95% confidence level, using a chi-squared test for goodness of fit;

(ii) the game must have three spinning reels. Each reel must contain 22 symbols or less;

(iii) the game must accept one to three U.S. quarters or an approved token having a value of one U.S. quarter (hereinafter "coins" or "tokens") per game. One token validates the centrally positioned horizontal payline, while two tokens validate additional two horizontal lines, top and bottom. If three tokens are inserted, all five lines -- three horizontal lines and two diagonal lines -- become valid. Each time a token is inserted, the corresponding payline lamp(s) on the left side of

(l) "Interflag": Interflag, as used for Regular Bonus and Big Bonus to ensure the bonus round, is awarded to the player when it is selected by the random number generator. This interflag mode may last one to several games depending upon the player's ability to line up the selected bonus combination.

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n-Line" means that the machine can be queried for at any time by a remote monitoring device and is gathered away from the machine.

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P & Q ↓

Organization" means a corporation, partnership, association, sole proprietorship, joint venture, association, cooperative association, professional or other entity existing for any purpose.

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(ii) the game must have three spinning reels. Each reel must contain 22 symbols or less;

(iii) the game must accept one to three U.S. quarters or an approved token having a value of one U.S. quarter (hereinafter "coins" or "tokens") per game. One token validates the centrally positioned horizontal payline, while two tokens validate additional two horizontal lines, top and bottom. If three tokens are inserted, all five lines -- three horizontal lines and two diagonal lines -- become valid. Each time a token is inserted, the corresponding payline lamp(s) on the left side of

the reel glass light up, indicating the number of tokens inserted. The game does not accept any more than three tokens. Therefore, a fourth token, if inserted, will be rejected and returned into the token tray located at the bottom of the machine unless the player has selected the credit mode, in which case the extra tokens will go to the credit meter;

(iv) the game must be able to count the number of coins or tokens paid out;

(v) the pay table must show all possible winning symbol combinations and their prizes;

(vi) any inserted coins or tokens exceeding the maximum capacity of the game must be returned to the player.

(2) Game Requirements:

(i) the machine must have six payout levels for each coin or token wagered selectable by the operator within the range of 55 percent to 120 percent. Level 1 must show the lowest payout with other levels in ascending order;

(ii) winning prizes must not exceed 15 coins or tokens;

(iii) no two different winning combinations shall be allowed to occur for any one play;

(iv) the minimum number of winning combinations shall be 10 percent of all possible combinations, while the maximum shall be 50 percent of all possible combinations. Any identical combinations, which may appear when more than one coin is played, shall be counted as one;

(v) the game shall have two sets of probability tables for regular plays: one set of low probability tables and one set of high probability tables. If the coin-in/out counter is used to determine the selection of the high probability tables or the low probability tables, the reflex point shall be between 0.35 and 0.9 for regular plays, and between 0.35 and 2.0 for regular plays in Big Bonus;

(vi) wins shall consist of small wins, Free Play, and a choice of up to three different kinds of bonuses: Single Bonus, Regular Bonus, and Big Bonus. When the random number generator selects Regular Bonus or Big Bonus, the machine will continue to search for these combinations until they are hit. This is referred to as "interflag mode". The interflag mode does not apply to small wins, Free Play, and Single Bonus;

(vii) the number of coins or tokens paid out for Single Bonus, Regular Bonus, and Big Bonus hits must not exceed 70 percent of the total number of coins or tokens paid out for all winning hits;

(viii) the number of coins or tokens paid out for Regular Bonus and Big Bonus hits must not exceed 60 percent of the total number of coins or tokens paid out for all winnings hits.

(3) Function Requirements:

(i) the reels must start spinning when the start lever is pressed. All the reels must spin simultaneously with the speed of 80rpm or less. The machine may not allow any two plays within a time period of 4.1 seconds, which shall be measured at the moment of the start switch activation. If a second play is initiated before 4.1 seconds have elapsed, the play will be suspended until this cycle is complete;

(ii) upon actuation of a stop button, the corresponding reel must be stopped within 190m seconds. The game must not acknowledge subsequent stop buttons until a minimum of 0.2 seconds have passed from the previous actuation of a stop button. No two reels may be stopped simultaneously; if tried, only one that is detected first will be valid. Only the stop button actuated first shall be valid;

(iii) the machine shall not accept coins after the start switch is actuated and until all the reels have stopped;

(iv) if the stop buttons are not actuated, the reels must stop automatically after 30 seconds of spinning in the following order: the left reel, the center reel, and the right reel.

(4) Hardware Requirements:

(i) the "bet" button must be dedicated to wagering and may not be used for any other purpose;

(ii) the machine must have a key switch that allows selection of the payout level.

(5) Machine Requirements:

(i) each possible permutation or combination of game elements which produce winning or losing game outcomes must be available for random selection at the initiation of each play;

(ii) the machine must have a graphic display, the description of possible bets, denomination, winning combinations, amounts won for each winning combination, and prize count;

(iii) the machine must have a microprocessor, ROM (read only memory) to contain programs, RAM (random access memory), and a random number generator (hardware or software).

(6) Program Requirements:

(i) the machine must be capable of automatically clearing the RAM (random access memory) if any error condition occurs. However, errors are to be cleared only as provided by §2400.12;

(ii) the machine must be able to provide the following signals at a minimum:

- (A) Coin-in signals
- (B) Coin-out signals
- (C) Regular Bonus hit signals
- (D) Big Bonus hit signals

(iii) the machine must be capable of displaying the number of coins wagered, the number of coins credited, and the number of coins paid out;

(iv) the machine must be capable of displaying the current payout level. This display shall be allowed only by the payout level key;

(v) the startup and reset procedures of each machine must detect 99.9% of any possible program failures;

(vi) each machine's program must not be alterable by the machine itself.

(7) Coin Acceptors:

(i) each machine's coin acceptor (if applicable) must be designed to accept approved coins or tokens and reject all others;

(ii) each machine must be designed to minimize known cheating methods.

(q) "Pachinko Slot Machine or Similar Amusement Machines" means a machine defined by §2400.3(p) of these Rules and Regulations. A "similar amusement machine" for purposes of P.L. 9-29 is a machine known by some other name which meets the definition of a pachinko slot machine in §2400.3(p) of these Rules and Regulations.

(r) "Payback Percentage" means the ratio of monetary units theoretically returned to players versus the monetary units wagered over time.

(s) "Person" includes an individual, association, corporation, club, trust, estate, society, company, joint stock company, receiver, trustee, organization, or any other person acting in a fiduciary or representative capacity, or any combination of individuals. "Person" includes any department, commission, agency, or instrumentality of the Commonwealth, including any municipality or political subdivision and any agency or instrumentality thereof.

(t) "Progressive" means a machine with a jackpot amount that is increased by a predetermined amount as the game is played, with the jackpot amount exhibited at all times to the public.

(u) "RAM (Random Access Memory)" means an electronic device used for temporary storage of data that can be altered.

(v) "ROM (Read Only Memory)" means an electronic device to store program instructions or data that may not be altered.

(w) "Random Number Generator" means a hardware device or software program that is used to pick a number at random from a specified range of numbers and present it for use.

(v) the startup and reset procedures of each machine must detect 99.9% of any possible program failures;

(vi) each machine's program must not be alterable by the machine itself.

(7) Coin Acceptors:

(i) each machine's coin acceptor (if applicable) must be designed to accept approved coins or tokens and reject all others;

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u: *Repealed* ↑ percentage" means the ratio of monetary returned to players versus the monetary me.
u:

P & Q includes an individual, association, trust, estate, society, company, joint partner, trustee, organization, or any other person in any capacity, or any combination of individuals. "Person" includes any department, commission, agency, or instrumentality of the Commonwealth, including any municipality or political subdivision and any agency or instrumentality thereof.

(t) "Progressive" means a machine with a jackpot amount that is increased by a predetermined amount as the game is played, with the jackpot amount exhibited at all times to the public.

(u) "RAM (Random Access Memory)" means an electronic device used for temporary storage of data that can be altered.

(v) "ROM (Read Only Memory)" means an electronic device to store program instructions or data that may not be altered.

(w) "Random Number Generator" means a hardware device or software program that is used to pick a number at random from a specified range of numbers and present it for use.

(x) "Regular Bonus" allows 12 plays to hit eight bonuses. The machine ends the Regular Bonus mode when the player hits a bonus eight times before completing 12 plays or when the player finishes 12 plays before hitting eight bonuses. Each of the eight bonuses is hit within the software probability range of 1/3 to 2.7/3.

(y) "Single Bonus" gives one chance of a bonus play that allows to hit the highest pay combination (15 tokens). In this mode, the game takes only one token and it is played only on the center payline. Single bonus is hit within the software probability range of 1/3 to 2.7/3.

(z) "Skimming": the skimming of pachinko slot machine proceeds is the intentional exclusion, or the taking of any action in an attempt to exclude any money, proceeds or their value from the deposit, counting, collection, or computation of the gross revenue or net proceeds of the operation of a pachinko slot machine.

(aa) "Software" means the programs or data used to control the machine.

(bb) "Token" means a piece of metal or composite material approved by the Department of Finance for use in the operation of pachinko slot machines which represents a specific monetary value or a U.S. twenty-five cent piece, i.e., a quarter, as the context requires.

Section 2400.4. Pachinko Slot Machines -- Applications

(a) All applications for a pachinko slot machine license must be submitted by the owner of the machine on the form prescribed by the Department of Finance and must contain --

(1) the make, model, year, brand name, and serial number (or manufacturer identification number if serial number is not applicable) of each machine;

(2) the date each pachinko slot machine was imported into the CNMI and a copy of all required documents establishing that all excise taxes have been paid;

(3) the location by building, village and island of each machine;

(4) a color photograph of each machine while in operation with its screen illuminated;

(5) a notarized statement by the applicant of the machine:

(i) stating the payback percentage range of each machine on the average;

(ii) stating the hit frequency range of each machine on the average;

(iii) stating whether or not the payback percentage range can be modified and to what extent;

(iv) stating that the machine to be licensed qualifies as a "pachinko slot machine" pursuant to Section 2400.3(p) or Section 2400.3(q) of these Rules and Regulations.

(6) the name, address, telephone number, and signature of the owner of the machine and of any person or organization holding a beneficial interest in the owner of the machine. In lieu of providing the signature of each person or organization holding a beneficial interest in the owner of the machine, a primary officer, person in control of such person or organization, or designated representative may affix his or her signature for the person or organization holding a beneficial interest in the owner of the machine;

(7) a photocopy of the applicant's identification or passport, and a copy of the applicant's criminal history issued by the proper authorities;

(8) a copy of the corporation's by-laws, if applicable;

(9) the most recent financial statement;

(10) a memorandum explaining the applicant's business experience, human and technical resources of the applicant(s);

(11) social security number and tax identification number of the owner;

(12) a letter of compliance issued by the Division of Revenue and Taxation proving the applicant is not delinquent in payment of taxes. However, this requirement shall not apply to newly organized entities for which the Department of Finance determines that no

letter of compliance may be issued;

(13) all other information required by the Department of Finance;

(14) a statement under penalty of perjury that all information related to the application is true and correct.

(b) All applications must be submitted by the owner of the machine to the Secretary, Department of Finance.

(c) Upon written request by an applicant and written approval by the Secretary of Finance, the Secretary may authorize an applicant to omit certain information from an application if the information is not available to the applicant provided such information is provided to the Secretary on or before the date prescribed by the Secretary.

Section 2400.5 Renewal of Licenses

(a) Pachinko slot machine licenses must be renewed annually on or before December 31 of the year preceding the year for which the renewal application is submitted. All applications for renewal of a pachinko slot machine license shall be submitted no sooner than sixty (60) days before expiration of such license and must be submitted no later than thirty (30) days before the expiration of such license.

(b) The application procedure for renewal of a pachinko slot machine license is pursuant to Section 2400.4 of these Rules and Regulations as specified therein. The Department of Finance may prescribe a different application form for renewal of a pachinko slot machine license which may require the same, more, or less information than that required in an initial application.

(c) Except as indicated otherwise, the rules and procedures pertaining to the renewal of a pachinko slot machine license shall be the same as those pertaining to the original license issued.

Section 2400.6 Distribution and Allocation of Pachinko Slot Machine Licenses

(a) Submission of Declarations of Intent.

(1) All persons interested in applying for a

pachinko slot machine license must submit a Declaration of Intent to the Department of Finance no earlier than the effective date of these Rules and Regulations and no later than fifteen (15) working days (as determined under CNMI law) after the effective date of these Rules and Regulations.

(i) All Declarations of Intent or applications received after the submission deadline date specified in §2400.6(a)(1) will be considered untimely, will not be accepted, and the applicant will not be eligible for issuance of a pachinko slot machine license sought by the untimely application.

(ii) All Declarations of Intent or applications submitted prior to the beginning of the submission deadline date specified in §2400.6(a)(1), in any manner and in any form, are not deemed Declarations of Intent or applications pursuant to these Rules and Regulations.

(iii) All Declarations of Intent must be received by the Department of Finance prior to the expiration of the submission deadline date specified in §2400.6(a)(1).

(2) All Declarations of Intent shall be submitted on the form prescribed by the Secretary of Finance and must contain all information required by the Secretary including the following:

(i) The name, address, telephone number, tax identification number, and signature of the applicant;

(ii) The number of licenses for which the applicant is requesting.

All Declarations of Intent not submitted in the proper form or not containing all required information shall not be considered by the Department and will be returned to the applicant. Any resubmission of Declarations of Intent must be done prior to the expiration of the submission deadline date specified in §2400.6(a)(1), unless the Secretary grants a reasonable extension of time which would not conflict with the intent or purpose of these Rules and Regulations.

(3) All Declarations of Intent must be accompanied

by an application fee in the amount of one-thousand dollars (\$1,000) plus one-hundred dollars (\$100) for each additional license requested exceeding 10. For example, an applicant requesting 25 licenses must submit an application fee in the amount of \$2,500 (i.e., \$1,000 plus [15] x [100]).

(i) All application fees shall be applied to license fees as provided in §2400.6(c)(2)(i). Any persons not receiving licenses equal in value to the application fee submitted shall be refunded the appropriate portion of the application fee within 30 days from the date of the lottery specified in §2400.6(c)(1).

(ii) The total application fee must be submitted in the form of cash, certified check, or cashier's check. The Department of Finance will not accept personal checks, business checks, or any other form of compensation for the application fee. All Declarations of Intent submitted without the total application fee in the proper mode of payment will not be considered by the Department and will be returned to the applicant. Any resubmission of Declarations of Intent must be done prior to the expiration of the submission deadline date specified in §2400.6(a)(1) above, unless the Secretary of Finance grants a reasonable extension of time which would not conflict with the intent or purpose of these Rules and Regulations.

(4) Upon receipt of a Declaration of Intent for a pachinko slot machine license, the Department of Finance may visit the premises designated in the Declaration of Intent and determine that the information contained in the Declaration of Intent is true and correct.

(b) Distribution - In General. Pursuant to Pub. L. 9-29, the total number of pachinko licenses to be issued shall not exceed 500 for the Third Senatorial and 200 each for the First and Second Senatorial Districts. The licenses allowed to be issued by law as requested by Declarations of Intent shall be distributed as follows:

(1) Excessive Applicants. To the extent that the total number of licenses requested by Declaration of Intent in a Senatorial District received on or before the expiration of the submission deadline date specified in §2400.6(a)(1) exceed that allowed to be issued by law, the licenses shall be distributed and issued pursuant to

§2400.6(c) of these Rules and Regulations.

(2) Non-excessive Applicants. To the extent that the total number of licenses requested by Declaration of Intent in a Senatorial District received on or before the expiration of the submission deadline date specified in §2400.6(a)(1) do not exceed that allowed to be issued by law, licenses shall be distributed and issued pursuant to §2400.6(d) of these Rules and Regulations.

(c) Procedure for Distribution of Licenses -- Excessive Applications. Pachinko slot machine licenses shall be distributed and issued pursuant to §2400.6(c) in instances in which the number of licenses requested by Declaration of Intent in a Senatorial District exceed the amount allowed to be issued under law in that Senatorial District. Licenses shall be distributed and issued pursuant to the following procedure:

(1) Lottery. All licenses shall be distributed in a public lottery to be conducted within thirty (30) days after the expiration of the submission deadline date specified in §2400.6(a)(1). The lottery will be held in a place and at the time specified by the Secretary of Finance and will be open to the public.

(i) At least ten (10) days prior to the date the lottery is to be conducted, the Secretary of Finance shall conduct a public meeting at a time and place specified by the Secretary of Finance for the purpose of discussing the procedure to be followed for the issuance of licenses pursuant §2400.6(c);

(ii) Prior to the lottery being held, the Secretary of Finance will determine the names and number of applicants from the Declarations of Intent timely and properly received and the number of licenses requested. For each license requested by an applicant, two lottery tickets will be placed in a lottery pool for the applicant. For example, if an applicant requests 500 licenses, the applicant would be eligible for 1,000 lottery tickets; if an applicant requests 50 licenses, the applicant would be eligible for 100 lottery tickets;

(iii) All lottery tickets will then be placed in a lottery pool. The maximum number of licenses an applicant can be eligible to receive pursuant to

the lottery is fifty (50). As each ticket is drawn from the lottery pool, an applicant is eligible to receive the lesser of 2 pachinko machine licenses or the amount of licenses for which the applicant has applied up to the maximum of fifty (50) licenses. As a ticket is drawn from the lottery pool, it will not be replaced in the lottery pool but will be removed. The lottery will continue until the quota of pachinko machine licenses has been reached in that particular Senatorial District;

(iv) All tickets remaining in the lottery pool after the quota of pachinko machine licenses has been reached shall be sealed in the lottery pool and placed in the vault at the Division of Procurement and Supply to be reopened only as provided in §2400.6(c)(3) of these Rules and Regulations.

(v) The Secretary of Finance is permitted to establish any necessary procedure which does not conflict with these Rules and Regulations which is necessary for the administration and distribution of licenses distributed pursuant §2400.6(c). All such procedures established shall be placed in writing and submitted to each license applicant.

(2) Issuance of License and Eligibility. Upon becoming eligible to receive a pachinko slot machine license under the provisions of this subsection, the Department of Finance will issue licenses pursuant to the following procedures:

(i) License Fee. Within 10 days after the lottery is conducted, all applicants eligible to receive a pachinko slot machine license by lottery must submit the full license fees as prescribed by law for the number of licenses awarded. Each applicant is entitled to a credit against the license fee of the application fee submitted pursuant to §2400.6(a)(3). The total license fee must be submitted in the form of cash, certified check, or cashier's check. The Department of Finance will not accept personal checks, business checks, or any other form of compensation for the application fee;

(A) If the pachinko slot machine annual ~~license~~ fee is increased by law on or prior to

the deadline by which the license fee must be paid as specified above, each applicant must submit the additional license fee in the mode of payment specified in these Rules and Regulations in order to be eligible to receive licenses pursuant to this section;

(ii) Applications. Within 60 days after the date of the lottery, all applicants eligible to receive a pachinko slot machine license by lottery must submit an application as prescribed by §2400.4 of these Rules and Regulations;

(iii) Issuance. Upon receipt of a completed application for a pachinko slot machine license:

(A) the Department of Finance will review all applications and supporting documents to ensure full compliance with these Rules and Regulations;

(B) The Department of Finance may visit the premises designated in the application and certify that the information contained in the application is true and correct and that the machines and applicants are in full compliance with these Rules and Regulations;

(C) If the application meets all requirements, a license will be issued within 60 days from the date of the receipt of the application in the proper form. Said license shall be in writing and must be posted on the premises where the machine is located in such a manner as will be visible to the public.

(iv) Denial. An application for initial license may be denied as specified under §2400.23 of these Rules and Regulations and pursuant to the procedures prescribed by §2400.25.

(A) if an applicant is denied a pachinko slot machine license, the licenses allocated to that applicant will be distributed in an additional lottery. Persons eligible to receive licenses in this additional lottery are only those applicants who have tickets remaining in the lottery pool as specified in §2400.6(c)(1)(iv). The lottery will be open to the public and will be conducted at the

time specified by the Secretary of Finance and pursuant to the procedures prescribed by the Secretary of Finance.

(v) Payment of Taxes, etc.. Before a license is issued, all charges, taxes and fees relating to pachinko slot machines must be fully paid, including applicable penalty and interest charges.

(vi) Proper Identification. All pachinko slot machines imported into the Commonwealth for commercial use must be properly identified pursuant to §2400.11 of these Rules and Regulations. Pachinko slot machines not properly identified shall not be issued a license.

(3) Return of Application Fee. Within thirty (30) days from the date of the lottery, all applicants not receiving the full amount of licenses requested shall be refunded any application fees paid on licenses not received.

(d) Procedure for Distribution of Licenses -- Non-Excessive Applications. Pachinko slot machine licenses shall be distributed and issued pursuant to §2400.6(d) in instances in which the number of licenses requested by Declaration of Intent in a Senatorial District do not exceed the amount allowed to be issued under law in that Senatorial District. Licenses shall be issued as follows:

(1) License Fee. Within 10 days after the expiration of the submission deadline date specified in §2400.6(a)(1), all applicants must submit the full license fees as prescribed by law for the number of licenses requested. Each applicant is entitled to a credit against the license fee of the application fee submitted pursuant to §2400.6(a)(3)(i). The total license fee must be submitted in the form of cash, certified check, or cashier's check. The Department of Finance will not accept personal checks, business checks, or any other form of compensation for the application fee;

(i) If the pachinko slot machine annual license fee is increased by law on or prior to the deadline by which the license fee must be paid as specified above, each applicant must submit the additional license fee in the mode of payment specified in these Rules and Regulations in order to be eligible to receive licenses pursuant to this

section.

(2) Applications. Within 60 days after the expiration of the submission deadline date specified in §2400.6(a)(1), all applicants must submit an application pursuant to §2400.4 of these Rules and Regulations on the form prescribed by the Secretary of Finance.

(3) Issuance of License and Eligibility. Upon receipt of a completed application for a pachinko slot machine license:

(i) the Department of Finance may visit the premises designated in the application and certify that the information contained in the application is true and correct and that the machines and applicants are in full compliance with these Rules and Regulations;

(ii) the Department of Finance will review all applications and supporting documents to ensure full compliance with these Rules and Regulations;

(iii) If the application meets all requirements, a license will be issued within 60 days from the date the application was submitted in proper form. Said license shall be in writing and must be posted on the premises where the machine is located in such a manner as will be visible to the public.

(4) Denial of License. An application for initial license may be denied as specified in §2400.23 of these Rules and Regulations pursuant to the procedure specified in §2400.25(a) of these Rules and Regulations.

(5) Payment of Taxes, etc. Before a license is issued, all charges, taxes and fees relating to pachinko slot machines must be fully paid, including applicable penalty and interest charges.

(6) Proper Identification. All pachinko slot machines imported into the Commonwealth for commercial use must be properly identified pursuant to §2400.11 of these Rules and Regulations. Pachinko slot machines not properly identified shall not be issued a license.

(7) Untimely Applications. All licenses requested pursuant to an original Declaration of Intent received after the expiration of the submission deadline date

specified in §2400.6(a)(1) shall be distributed on a first come, first serve basis pursuant to §2400.6(d)(1) - (5).

(e) If after the issuance or adoption of these Rules and Regulations, the restrictions on the number of pachinko slot machine licenses are removed by law so that there is no limit on the number of pachinko slot machine licenses that may be issued, the procedure for the issuance and distribution of pachinko slot machine licenses shall be pursuant to Subsection (d) of this Section. However, if such occurs, licenses must be issued within sixty (60) days of the later of [1] the date such bill is signed into law or [2] the date the application is submitted.

Section 2400.7 Reserved

Section 2400.8 Reserved

Section 2400.9 Tags

(a) Licensed pachinko slot machines must bear a numbered tag on the top right-hand corner (or lower left or right corners) of the screen or viewing window or scoreboard; or for those machines without viewing window, screen or scoreboard, the area designated by the Secretary of Finance. This tag may be removed only by the Department of Finance. A second identical tag shall be placed inside the pachinko slot machine.

(b) No pachinko slot machine may be operated unless it has a valid tag affixed to its cabinet. No tag can be transferred from one machine to another. A replacement tag will be issued and a fee of \$25 will be charged and collected for each new tag. The pachinko slot machine owner shall report to the Department of Finance whenever a tag is lost or defaced, and that lost or defaced tag will be promptly replaced by the Department of Finance after the Department verifies the tag number from the identifying tag inside the machine and a replacement fee of \$25 is paid to the Department of Finance.

Section 2400.10 Transfer of Tag and License.

(a) No pachinko slot machine license tag may be transferred from a defective or malfunctioning machine to an operative machine without the written approval of the Secretary of Finance.

(b) Reserved.

Section 2400.11 Identification of Machines.

(a) All pachinko slot machines must bear a visible, engraved identification plate which contains the following information:

- (1) name of the manufacturer;
- (2) serial number;
- (3) model number;
- (4) manufacturer's commercial name.

(b) Until such time as the Division of Customs, Department of Finance, Commonwealth of the Northern Mariana Islands adopts regulations for pachinko slot machines, all pachinko slot machines imported into the CNMI must be processed by the Division of Customs pursuant to the procedures utilized by the Division of Customs for the processing of poker machines. Among those requirements are that the machine must contain an engraved identification plate with all information required in this Section.

Section 2400.12 Security Requirements.

(a) All pachinko slot machines must comply with the following security requirements in order to be issued a pachinko slot machine license:

- (1) the door may not be opened without a key;
- (2) the power switch and the payout level key switch must be located inside the cabinet;
- (3) the processor board must be enclosed in a transparent plastic case;
- (4) any errors or malfunctions must be displayed by error codes on the machine. The errors must be cleared by an attendant;
- (5) the mechanism to accept coins must be capable of detecting a valid coin and rejecting all others. The mechanism must signal an error if any invalid condition is detected.

(6) the machine must resist forced or illegal entry;

(7) each machine must be capable of detecting and displaying hopper failure to make payment, defective RAM, program error and reverse coin-in. These errors must be cleared by an attendant;

(8) each machine must be capable of detecting and displaying coin-in error and coin-out error;

(9) any malfunction of the machine must void all pays and plays for that game;

(10) each machine must indicate that a coin has been accepted. Manual payouts must have a system to call the operator (lights or sound) and must be able to block coins-in until the operator has reset the machine.

Section 2400.13 **Reserved.**

Section 2400.14 **Safety Requirements.**

(a) **Electrical Immunity Requirements**

(1) Each machine must be totally immune to human electrostatic discharge (up to 20,000 volts DC).

(2) Each machine must completely recover from 20,000-27,000 volt DC discharges, without any data or video corruption.

(3) The random number generator of each machine must be totally immune to all outside interference.

(b) **Other Safety Requirements**

(1) Each machine shall be manufactured in a way as not to present any electrical, mechanical or fire hazard.

(2) Each machine must be properly fused or protected by circuit breakers.

Section 2400.15 **Reserved**

Section 2400.16 **Movement of Machines.** Before any pachinko slot machine can be relocated from one building or

business location to another, the licensee of the machine must first submit a written request to the Secretary of Finance. The request must be signed by the person who is the licensee of the pachinko slot machine in question under penalty of perjury. The request must include the following information:

- (a) present location of the pachinko slot machine to be moved;
- (b) the intended location of the pachinko slot machine to be moved;
- (c) the serial number and the CNMI tag number of such machine.
- (d) all other information requested by the Department of Finance.

The Secretary of Finance must act on the relocation request within 10 working days after receipt of such request. If any pachinko slot machine is found to have been moved without prior written approval from the Secretary of Finance, the person who is the licensee of such machine shall have his license to operate any pachinko slot machines suspended for no less than 30 days and not more than 180 days.

Section 2400.17 Notification of Machine Location Within 30 days after the receipt of a pachinko slot machine license pursuant to these Rules and Regulations, each person who is the licensee shall give written notice to the Department of Finance of the location, by building, village and island of each of its licensed pachinko slot machines.

Section 2400.18 Separate Room and Minors.

(a) Pachinko slot machines operated in an establishment at which any other business is carried on shall be segregated from the other business area(s) of the establishment by a wall or barrier from floor to ceiling, creating a completely separate room. Pachinko slot machines may be operated in a segregated room which contains poker machines to the extent allowed by law. Pachinko slot machines may be operated in hotel or motel lobbies without a wall or barrier.

(b) Only persons 18 years of age or older shall be allowed entry into the pachinko slot machine room. Every person who is a licensee is responsible for ensuring that only those authorized by law are permitted to enter the segregated

room and are permitted to operate a pachinko slot machine. A sign must be prominently displayed on the entrance door of the separate room or on the entrance door of the establishment if no separate room is required which reads "No Person Under 18 Years Old Allowed".

Section 2400.19 **Location.** Pachinko slot machines may be operated only in locations authorized by law.

Section 2400.20 **Inspection of Machines.** The Secretary of Finance or his designee has an absolute right at all times to open, inspect, and test any pachinko slot machine to determine compliance with these Rules and Regulations and/or applicable law. This right of inspection includes, but is not limited to, the right to remove any pachinko slot machine, or any components thereof, from the premises where the machine is being operated.

Section 2400.21 **Reserved.**

Section 2400.22 **Other Reporting Requirements.** Persons who are the licensees of pachinko slot machines must strictly adhere to all reporting requirements under the tax laws of the Commonwealth of the Northern Mariana Islands, including the filing of information returns and payments of taxes. Failure to comply will be grounds for suspension or revocation of an existing pachinko slot machine license or for denying an application for renewal of a pachinko slot machine license.

Section 2400.23 **Violation** The receipt of a CNMI Pachinko Slot Machine License is a privilege not a right. However, any such license once issued is revocable only for cause.

(a) Pursuant to the procedures prescribed within these Rules and Regulations, the Secretary of Finance may deny an application for a license or revoke a license issued on any one or more of the factors herein listed:

(1) The financial responsibility and security of the applicant and the business or activity in which the applicant is engaged. Consideration of this factor may include the analysis of the applicant's credit record, compliance with tax laws or this or other jurisdictions, status of other permits and licenses, results of a criminal background investigation, adequacy of security procedures against theft, the type of construction of the applicant's facility and whether the location is fixed

and permanent, whether the applicant can provide appropriate security, and any other factor that may assist the Secretary of Finance in such evaluation; or

(2) The location of, and public accessibility to, the applicant's place of business or activity. Consideration of this factor may include analysis of the applicant's hours of operation, proximity to major transit routes, proximity to large employers, public parking availability, and any other factor that may assist the Secretary of Finance in such evaluation; or

(3) the applicant has been convicted of a felony, or criminal fraud, or gambling or a gambling-related offense, or any felony or misdemeanor involving moral turpitude, if less than 10 years has elapsed since the termination of the sentence, parole, mandatory supervision, or probation served for the offense; or

(4) the applicant is or has been a professional gambler. A "professional gambler" is a person whose profession is, or whose major source of income derives from, playing games of chance for profit; or

(5) the applicant is delinquent in the payment of any Commonwealth tax, duty, fee or similar charge or any other debt due the Commonwealth at any time after the application is filed but before the Department of Finance acts to grant or deny the license; or

(6) the applicant has a spouse, child, parent, parent-in-law, or spouse's child who is a person described in paragraph (3), (4), or (5) of this subsection; or

(7) the applicant has violated the Pachinko Slot Machine Act or a Rule or Regulation adopted pursuant to the Pachinko Slot Machine Act; or

(8) the applicant is not an individual, but an individual described in one or more of paragraphs (3) - (7) of this section holds a beneficial interest in the applicant; or

(9) the applicant provided false or misleading information on the application form, or failed to provide information required as part of the application or evaluation process; or

(10) the applicant failed to cooperate or to provide

any additional or supplemental information which the Secretary of Finance deems necessary in order to determine whether the applicant is suitable to hold a license; or

(11) the applicant operates any pachinko slot machine without a license; or

(12) the applicant fails to comply with any other factor that is or may be helpful in determining whether the applicant's experience, character, and general fitness are such that the licensing of the person to operate a pachinko slot machine will not detract from the integrity, security, honesty, or fairness of the operation of the pachinko slot machine business. An example of the type of factor considered in this regard is the analysis of the type of product currently sold or form of service currently provided or other business activity currently conducted by the applicant.

(b) Pachinko slot machines operating in violation of law or these Rules and Regulations shall be dealt with in accordance with the applicable CNMI laws. If a pachinko slot machine is found not to be in compliance with the requirements of these Rules and Regulations, the person who is the licensee of such machine will have his license to operate pachinko slot machines suspended until compliance with the Rules and Regulations is met to the satisfaction of the Secretary of Finance.

(c) In addition to the basis of denying or revoking a pachinko slot machine license set forth in Section 2400.23(a)(1) - (12), a license once issued may also be revoked if the person holding such license:

(1) operates a machine without proper documentation or provides or maintains inaccurate or false information; or

(2) alters the software programs, payback percentages, jackpots, meters, or any other equipment that imply a modification of the conditions under which the machines were approved; or

(3) allows minors to play a pachinko slot machine;

(4) fails to cooperate with or provide all relevant information requested by the Department of Finance; or

(5) accepts or exchanges a food stamp coupon, an

NAP coupon or similar item for coins or tokens used to play a pachinko slot machine; or

(6) violates any CNMI or federal law.

(d) If a licensed or unlicensed machine is seized, the owner and/or the person licensed to operate such machine shall be liable for the cost of transporting the machine, a reasonable storage charge of not less than \$25 per day per machine, and any labor charges incurred in the seizure and storage of such machine.

(e) The Department of Finance and the Commonwealth Government shall not be liable for damages arising from the seizure and/or confiscation of machines, including damages occurring during transfer and storage, provided that reasonable care is used in seizure and confiscation.

Section 2400.24 Continuous Disclosure of Information.

(a) Any information provided to the Secretary of Finance under these Rules and Regulations or on any application, filing or other instrument submitted to the Secretary of Finance that subsequently becomes incorrect or misleading, shall be immediately updated by the applicants or licensees providing an explanation thereof to the Secretary of Finance. Without limiting the foregoing, all applicants or licensees shall notify the Secretary of Finance immediately if any change in the ownership or beneficial interest or location of the applicant or licensee occurs.

(b) The Secretary of Finance may develop forms for pachinko slot machine license applications requesting all such information required by the Pachinko Slot Machine Act or by these Rules and Regulations or that is deemed necessary or appropriate to evaluate the applicant's suitability to hold a license. Such application shall be completed, executed, acknowledged and notarized by the applicant prior to submission to the Secretary of Finance.

Section 2400.25 License Proceedings.

(a) **Denial of an Application of License.** Whenever the Secretary of Finance ("Secretary") has reason to believe that an applicant is not eligible to receive a license, he may issue a written notice of denial to the applicant. The notice shall set forth the matters of fact and law relied upon in determining that the application should be denied, and shall

afford the applicant 15 days from the date of receipt of the notice to submit a written Request for Reconsideration to the Secretary of Finance wherein the applicant may set forth the basis pursuant to which the applicant believes that the denial of a license was based on either an incorrect understanding of fact or an incorrect application of the law. The Secretary shall promptly review the Request for Reconsideration and, in writing, either affirm or modify the previous denial of a license. The denial of a pachinko slot machine license by the Secretary is subject to judicial review and may be reversed by the court only upon a finding that the Secretary acted in an arbitrary and capricious manner in denying such license.

(b) Suspension or Revocation of License.

(1) Without any way limiting or restricting the ability of the Secretary of Finance to consider the factors listed in Section 2400.23 as grounds for suspension or revocation of a license issued by the Secretary of Finance, the Secretary may also suspend or revoke a license held by a licensee based upon a finding of one or more of the following:

(i) The determination by the Secretary of Finance of the existence of any one or any combination of factors previously listed as grounds for denial of issuance of a license under Section 2400.23 of these Rules and Regulations or the determination by the Secretary of Finance that the existence of any one or more factors listed in subsections (ii) - (xiii) below directly apply to or relate to the holder of the pachinko slot machine license; or

(ii) that the beneficial interest in the ownership of the business premises has changed or the business location of the applicant has changed without approval of the Secretary of Finance; or

(iii) that the licensee has permitted a person under 18 years of age to play a pachinko slot machine; or

(iv) that the licensee has not prominently displayed, at the licensed location, the license issued by the Secretary of Finance; or

(v) that the licensee has violated any directive or instruction issued by the Secretary of Finance; or

(vi) that the licensee has violated any express term or condition of its license, the Pachinko Slot Machine Act, or these Rules and Regulations; or

(vii) that the licensee and/or its employee(s) has exhibited discourteous treatment including but not limited to, abusive language toward customers or any government agents, employees or their designees; or

(viii) that the licensee has assigned or transferred or attempted to assign or transfer its license to another party without the prior written approval of the Secretary of Finance; or

(ix) that the licensee engaged in fraud, deceit, misrepresentation or other conduct prejudicial to public confidence in the pachinko slot machine business; or

(x) that the licensee engaged in telecommunication or printed advertising that the Secretary of Finance determines to have been false, deceptive, or misleading; or

(xi) that the licensee failed to establish or maintain reasonable security precautions with regard to the operation of the licensed pachinko slot machines; or

(xii) that the licensee has engaged in skimming of pachinko slot machine funds; or

(xiii) that the licensee has failed to make payments when due by any pachinko slot machine to the CNMI.

(2) Notice of suspension or revocation of a license shall, if possible, be given to the licensee in writing setting forth the reasons therefore. A suspended or revoked license shall immediately be surrendered to the Secretary of Finance.

Section 2400.25 **Hearings.** All hearings related to these Rules and Regulations shall be conducted in accordance with the CNMI Administrative Procedure Act, 1 CMC §9101 et seq.

Section 2400.26 **Confidentiality.** All information

submitted to the Department of Finance regarding licensing of a pachinko slot machine shall be confidential and shall be disclosed only as follows:

- (a) to the license applicant; or
- (b) to the Department of Commerce only to the extent necessary to permit that agency to carry into effect its statutory business licensing provisions; or
- (c) for the purpose of carrying into effect these Rules and Regulations, laws pertaining to pachinko slot machines, or any law imposing taxes or duties payable to the Commonwealth of the Northern Mariana Islands.

Section 2400.27 Presence Upon Opening of Machines

Pursuant to law, the Secretary of Finance is authorized to be present at all times when monies are withdrawn from pachinko slot machines. Accordingly, the Secretary of Finance will establish a schedule in coordination with all applicants receiving pachinko slot machines licenses, to ensure that the Secretary of Finance or his designee is present at all times when monies are withdrawn from pachinko slot machines. Except as otherwise authorized by the Secretary of Finance, no monies may be withdrawn from any pachinko slot machine unless the Secretary of Finance or his designee is present at such time. In the alternative, the Secretary of Finance may promulgate additional or supplemental Rules or Regulations to accomplish the objectives of this Section which are to assure that the integrity of the game is protected and that there is an accurate accounting of income generated from each machine and that any and all fees and taxes due and owing to the CNMI are promptly and fully paid.

Section 2400.28 General Waiver Authority. The Secretary of Finance shall have the authority to waive any provision of these Rules and Regulations if such is in the best interests of the industry.

Section 2400.29 Designation of Authority. The Secretary of Finance may delegate all responsibilities and authority under these Rules and Regulations, if not already delegated by these Rules and Regulations, to the Director of Revenue and Taxation and/or any other responsible party.