

TITLE 10: LOCAL LAWS
DIVISION 2: SECOND SENATORIAL DISTRICT (TINIAN, ETC.)

§ 2544. Cancellation or Suspension of Casino Licenses and Letters of Censure.

(a) A ground for cancellation or suspension of a casino license arises if the casino licensee or, in the case of a casino management agreement, the casino operator who has entered into such agreement with the casino licensee or the lessee under a casino lease:

(1) is found in violation of this chapter;

(2) is convicted of an offense, punishable in the particular case by imprisonment for 12 months or more irrespective of whether the offense is also punishable by a fine, in addition to or as an alternative to the punishment by imprisonment;

(3) fails to comply with any term or condition of the agreement as referred to in 10 CMC § 2532 pursuant to which the casino license was granted, which term or condition is binding on him;

(4) or any director, partner, trustee, executive officer, secretary or other officer or person determined by the Executive Director associated or connected with the ownership, administration or management of his operations or business is not or ceases to be at any time while the casino license is in force a suitable person to be so associated or connected as aforesaid having regard to those matters specified in 10 CMC §§ 2533 or §2539 to him;

(5) refuses or fails to comply with any direction given to him in writing by the Executive Director pursuant to any provision of this chapter and with which it is his duty to comply, and which refusal or failure to comply, in the opinion of the Executive Director, jeopardizes the integrity of the operation of the casino or adversely affects the interest of the public;

(6) where required under this chapter to supply information to the Executive Director, or an inspector, supplies information to him that is, to his knowledge, false or erroneous; or

(7) fails to discharge his financial commitments, becomes bankrupt or compounds with his creditors or otherwise takes advantage of the laws in force for the time being relating to bankruptcy or is the subject of winding up, either voluntarily or pursuant to court order, appointment of a liquidator, appointment of a receiver or receiver and manager or is placed under official management and an official manager appointed pursuant to applicable provisions of the Commonwealth Code.

(b) Where a ground for cancellation or suspension pursuant to subsection (a) of this section arises and the Executive Director is of the opinion that the chapter or omission or other thing constituting the ground is of such a serious and fundamental nature that the integrity of the operation of the casino is jeopardized or the interest of the public is adversely affected, he shall issue to:

(1) the casino licensee; and

(2) in the case of a casino lease, the lessee thereunder; and

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(3) in the case of a casino management agreement, the casino operator thereunder;

A notice in writing requiring him or each of them, as the case may be, to show cause why action should not be taken with respect to the casino license or, as the case may be, the casino lease or casino management agreement pursuant to the provisions of this section.

(c) The Executive Director shall issue a copy of the notice to any other person who, in his opinion, has an interest in the casino license.

(d) The notice shall set out the grounds giving rise to its issue and shall stipulate a date, being no earlier and 21 days after such issue, on or before which cause is required to be shown.

(e) Save where a form of notice to show cause is prescribed by regulations under this chapter, the notice shall be in such form and contain such matters as the Executive Director thinks fit, subject to the provisions of this section and the provisions of the Commonwealth Administrative Procedure Act.

(f) Each person to whom the notice is issued may give answer thereto in writing to the Executive Director to show cause at any time not later than the date stipulated in the notice in that respect.

(g) Any person having an interest as referred to in subsection (c) of this section may make such submissions to the Executive Director as he thinks fit at any time not later than the stipulated date.

(h) The Executive Director shall consider the answers given in reply to the notice or notices to show cause and any submissions made pursuant to subsection (g) of this section and:

(1) if in his opinion satisfactory answers are given or submissions made in reply to or in respect of the notice or notices, he shall take no further action in relation thereto;

(2) if in his opinion answers given or submissions made in reply to or in respect of the notice or notices are not satisfactory but action to cancel or suspend the casino license or to terminate the casino lease or casino management agreement is not warranted, he may issue a letter of censure to each of them the casino licensee, the lessee and the casino operator or to any of them censuring them or him in respect of any matter connected with or giving rise to the notice to show cause;

(3) if in his opinion answers given or submissions made in reply to or in respect of the notice or notices are not satisfactory and further action is warranted or if no answers are given and no submissions made, he may:

(i) by notice in writing give to each of them the casino licensee, the lessee and the casino operator or to any of them any direction that he considers appropriate to ensure that any matter connected with or giving rise to the issue of the notice is rectified within a time specified in the notice; or

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(ii) recommend to the Commission that the casino license be canceled or that it be suspended or that the casino lease or casino management agreement be terminated.

(i) If a direction given by the Executive Director pursuant to subsection (h)(3)(i) of this section is not complied with within the time specified in the notice, the Executive Director may recommend to the Commission that the casino license be canceled or that it be suspended or that the casino lease or casino management agreement be terminated.

(j) Where a ground for cancellation or suspension pursuant to subsection (a) of this section arises but the Executive Director is of the opinion that the chapter or omission or other thing constituting the ground is not of such a serious and fundamental nature that the integrity of the operation of the casino is jeopardized or the interest of the public is adversely affected, he may issue a letter of censure to each of them the casino licensee, the lessee and the casino operator as aforesaid or to any of them censuring them or him in respect of any matter connected with or giving rise to the ground for cancellation or suspension.

(k) Where the Executive Director makes a recommendation to the Commission, he shall submit therewith such notices to show cause and answers thereto, any submissions made in connection therewith and such other papers in his possession as are relevant to the recommendation.

(l) The Commission, after giving consideration to the recommendation of the Executive Director, other matters referred to in subsection (k) of this section submitted to it and to the circumstances generally, may in its absolute discretion:

(1) take no action with respect to the casino license or casino lease or casino management agreement if he considers action to be not warranted;

(2) cause a letter of censure to be issued to each of them the casino licensee, the lessee and the casino operator as aforesaid or to any of them by the Executive Director censuring them or him concerning any matter in respect of which the Commission considers it proper to do so;

(3) by notice in writing give or cause to be given on his behalf to each of the casino licensee, the lessee and the casino operator or to any of them any direction that they consider appropriate to ensure that any matter connected with or giving rise to the issue to the notice is rectified within a time specified in the notice;

(4) unless a receiver and manager has been appointed pursuant to 10 CMC § 2545, appoint an administrator who has been found qualified to the standards of a casino key employee pursuant to 10 CMC § 2554, subject to such terms and conditions as he thinks fit for the purposes as referred to in subsection (n) of this section.

(m) A letter of censure issued under this section shall become a permanent part of the records of the Commission in relation to the casino license or casino lease or casino management agreement or any person censured.

(n) An administrator appointed by the Commission pursuant to subsection (l)(4) of this section shall:

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(1) assume full control of and responsibility for the business of the casino licensee in respect of the hotel-casino complex or the casino;

(2) conduct or cause to be conducted casino operations in accordance with this chapter. The appointment as administrator shall be determined by the appointment of a receiver and manager or an assignment of the casino license pursuant to 10 CMC § 2545.

(o) Notwithstanding any other provision of this chapter, the Commission, if the Commission considers in its absolute discretion that the circumstance are so extraordinary that it is imperative in the public interest to do so, may cancel the casino license or suspend it for such period as it thinks fit or direct the termination of the casino lease or casino management agreement.

(p) A decision by the Commission to cancel or suspend a casino license:

(1) shall be effective on and from a date and time of day determined by the Commission;

(2) in the case of suspension of a casino license, shall be for such period as the Commission thinks fit; and

(3) shall be notified in writing by the Executive Director to the casino licensee and, where there is also a lessee or casino operator as aforesaid, to such lessee or casino operator.

(q) Where a casino license is suspended pursuant to this section, the Commission, after first considering a recommendation by the Executive Director relating to the matter, may at any time cancel the balance of the period of suspension still to run or reduce the period of suspension still to run by a period stipulated by them.

(r) A suspension of a casino license shall, while it remains in force, have the same effect as a cancellation of such license without prejudice to any penal or other liability actually incurred by the casino licensee, a lessee under a casino lease or a casino operator under a casino management agreement or to the exercise of the powers of the Executive Director, or any inspector under this chapter.

(s) The Commission's direction referred to in subsection (o) shall be given in writing to the parties to the lease or agreement and shall specify a date on which the lease or agreement is terminated under this chapter if not sooner terminated.

(t) The lease or agreement, if not sooner terminated by the parties thereto, is terminated by force of this chapter on the date specified in the direction in that behalf.

(u) The termination of the lease or agreement by force of this chapter does not affect the rights and obligations of the parties thereto up to the time of such termination.

(v) No liability for breach of the lease or agreement attaches to any party thereto by reason only of its termination by force of this chapter.

(w) A decision by the Commission to cancel or suspend a casino license or to direct the termination of casino lease or casino management agreement is final and conclusive.

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(x) The provisions of 10 CMC § 25146(d) shall be applicable to this Section.

Source: Tinian Local Initiative 1, § 24; amended by TLL 21-9, § 4 (§ 2544) (Mar. 30, 2020), modified.

Commission Comment: The Commission inserted a space between “chapter” and “and” in (a)(5) pursuant to 1 CMC § 3806(g).