

§ 3841. Local license fee(s) for Electronic gaming devices.

(a) Local license fee(s) for electronic gaming devices. There is hereby imposed, pursuant to 1 CMC § 1402(c)(4), an annual local license fee on all poker amusement machines located within e-gaming facilities or hotels, electronic gaming machines, or electronic table games as defined in 6 CMC § 3154(a)(4), and also on such machines and games situated in a hotel pursuant to 6 CMC § 3156(b), within the Third Senatorial District, equal to \$2,000.00 per machine.

(b) The fees collected under this article shall be appropriated by the Saipan and Northern Islands Legislative Delegation. Provided however, that should the obligation to the Saipan Higher Education Financial Assistance (SHEFA) student scholarship account and the SHEFA operations account drop below its current level (\$3,000,000.00 and \$200,000.00) due to the shortage in poker fee collections and/or any other allocations for SHEFA, the fees collected under this article shall first subsidize the SHEFA account(s) prior to being appropriated for any other purposes.

(c) The Secretary of the Department of Finance shall create a special account to be known as the “Third Senatorial District electronic gaming device fee account.”

Source: SLL 22-6, § 3 (Aug. 2, 2021), modified; SLL 22-13, § 2 (July 25, 2022).

Commission Comment: *Short Title.*—SLL 22-6, § 1, provided that: “This Act [enacting this section] shall be cited as the ‘Third Senatorial District Electronic Gaming Devices License Fee of 2021’.”

Legislative Findings.—In addition to severability and savings clause provisions, SLL 22-6 included the following Findings and Purpose section:

SECTION 2. FINDINGS AND PURPOSE. The Delegation finds that electronic gaming has grown in popularity within the Third Senatorial District since being legalized under Public Law No. 18-30. The Delegation finds that many of the visitors of the Third Senatorial District are attracted to these gaming facilities because of the safety of the environment and the types of games they offer to their patrons.

Furthermore, the Delegation finds that the poker industry in the Commonwealth has been paying an annual fee of more than \$12,000.00 per machine which is split between the Commonwealth and the Senatorial District in which the machine is being operated on. The Delegation finds that a significant portion of the poker fees dedicated to the Third Senatorial District has been earmarked to the Saipan Higher Education Financial Assistance (SHEFA) to help college students from the Third Senatorial District. The Delegation further finds that with the enactment of the Commonwealth Casino (Public Law No. 18-56) no new poker machines will be allowed to be register within the Commonwealth of the Northern Mariana Islands after April 2015. This means that collections from poker fees will decrease because of the prohibition on registering new ma-

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chines. The Delegation finds that the Third Senatorial District is dependent on poker fees to pay for local programs, subsidizing local non-profit organizations, local projects and most importantly the SHEFA program. Therefore, the intent of this Act is to impose a local license fee on all electronic gaming devices within the Third Senatorial District-including poker amusement machines that are located within e-gaming facilities or hotels.

Legislative Findings of 2022 Amendment.—In addition to severability and savings clause provisions, SLL 22-13 included the following Findings and Purpose section:

SECTION 1. FINDINGS AND PURPOSE. The purpose of this Act is to amend Saipan Local Law 22-6. The Delegation finds that by structuring the license fee as a flat fee, the collection of more revenue without overburdening the e-gaming business is possible.

The Delegation further finds that the amendment to Saipan Local Law 22-6 should be retroactive in its application to August 02, 2021, the date when Saipan Local Law 22-6 became effective, so that there will be a uniform application of the amounts due under Saipan Local Law 22-6 both before and after its amendment.

Retroactive Effect.—SLL 22-13, § 3 provided as follows:

SECTION 3. ASSESSMENT. Upon enactment, retroactive payment shall be assessed for license fees that would have accrued from the date of enactment of SLL 22-6 to the date of enactment of this bill at the rate provided for in this legislation.

Modifications.—In codifying SLL 22-6, the Commission numbered this section, pursuant to 1 CMC § 3806(a), and substituted “this article” for “this Act” in subsec. (b), pursuant to 1 CMC § 3806(d).