

**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
SAIPAN, TINIAN, ROTA and NORTHERN ISLANDS**



COMMONWEALTH REGISTER

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TABLE OF CONTENTS

EMERGENCY REGULATIONS

Public Notice of Emergency Regulations Pertaining
To an Interim Casino Authorization
Tinian Casino Gaming Control Commission **036875**

Public Notice of Emergency Regulations (Procurement)
Commonwealth Healthcare Corporation **036882**

ADOPTION of REGULATIONS

Notice of Certification and Adoption of Rule (Capping Fees)
Commonwealth Zoning Board **036931**

Public Notice of Certification and Adoption of the
Department of Commerce **036934**

PROPOSED REGULATIONS

Public Notice of Intent to Amend the Rules and Regulations
To Create an Investigative Fee Deposit Trust Account for
Tinian Casino Gaming Control Commission **036936**

Public Notice of Proposed Procurement Regulations for the
Commonwealth Healthcare Corporation **036943**

Public Notice of Adoption of Proposed Rules and Regulations for the
Commonwealth Casino Commission **036949**

EXECUTIVE ORDERS

E.O. No. 2015- 13
Subject: Renewal of Declaration of Major Disaster and Significant Emergency
In the Commonwealth of the Northern Mariana Islands
Office of the Governor **037092**

E.O. No. 2015- 14
Subject: Declaration of a State of Significant Emergency (CUC)
Office of the Governor **037094**



TINIAN CASINO GAMING CONTROL COMMISSION

Municipality of Tinian and Aguiguan
Commonwealth of the Northern Mariana Islands



Mathew C. Masga
Chairman

Bernadita C. Palacios
Vice Chairwoman

Lydia F. Barcinas
Member

Patrick H. San Nicolas
Member

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Member

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PUBLIC NOTICE OF EMERGENCY REGULATIONS PERTAINING TO AN INTERIM CASINO AUTHORIZATION

EMERGENCY ADOPTION AND IMMEDIATE EFFECT: The Tinian Casino Gaming Control Commission finds that:

(1) the attached rules and regulations regarding Interim Casino Authorization on the island of Tinian shall be adopted immediately on an emergency basis because the public interest so requires, for the reasons stated below (1 CMC § 9104(b), (c); 1 CMC § 9105(b)(2)); and

(2) the same rules and regulations shall be adopted, after a proper notice and comment period, as permanent regulations pursuant to the attached Notice of Proposed Rules and Regulations and the Administrative Procedure Act, 1 CMC § 9104(a).

AUTHORITY: The Tinian Casino Gaming Control Commission is empowered by Part II Section 5(8)(c) and Part XI, § 121(2)(h), of the Revised Casino Gaming Control Act of 1989 and the CNMI Administrative Procedures Act to promulgate the use of Interim Casino Authorization on the Island of Tinian to ensure compliance with Revised Casino Gaming Control Act of 1989. The Administrative Procedure Act provides that an agency may adopt an emergency regulation upon fewer than 30 days' notice if it states its reasons in writing:

(b) If an agency finds that the public interest so requires, or that an imminent peril to the public health, safety, or welfare requires adoption of a regulation upon fewer than 30 days' notice, and states in writing its reasons for that finding, it may, with the concurrence of the Governor, proceed without prior notice or hearing or upon any abbreviated notice and hearing that it finds practicable, to adopt an emergency regulation. The regulation may be effective for a period of not longer than 120 days, but the adoption of an identical regulation under subsections (a)(1) and (a)(2) of this section is not precluded.

(c) No regulation adopted is valid unless adopted in substantial compliance with this section 1 CMC § 9104(b), (c).

THE TERMS AND SUBSTANCE: These regulations are to promulgate Interim Casino Authorization on the Island of Tinian and are necessary to ensure compliance with Revised Casino Gaming Control Act of 1989.

THE SUBJECTS AND ISSUES INVOLVED: These regulations set forth the requirements of an Interim Casino Authorization on the Island of Tinian.

ADOPTION OF EMERGENCY REGULATIONS FOR 120 DAYS: The Tinian Casino Gaming Control Commission has followed the procedures of 1 CMC § 9104(b) to adopt these Proposed Regulations on an emergency basis for 120 days.

REASONS FOR EMERGENCY ADOPTION: The Tinian Casino Gaming Control Commission finds that the public interest requires adoption of these regulations on an emergency basis, for the following reasons:

1. Although Section 5(15)(d) of the Revised Tinian Casino Gaming Control Act of 1989 authorizes the issuance of an Interim Casino Authorization, regulations are necessary in order to protect the public's interest in the integrity of gaming operations, regulations have not been promulgated.
2. Promulgation of these emergency rules and regulations are necessary to establish the requirements necessary to issue an Interim Casino Authorization on the Island of Tinian and are necessary to ensure compliance with Revised Casino Gaming Control Act of 1989.
3. Promulgation of these regulations in an expeditious manner is necessary in order to ensure the continued operation of casinos on the island of Tinian and regulations are necessary to ensure the public interest in the integrity of gaming operations.

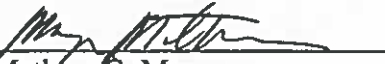
DIRECTIONS FOR FILING AND PUBLICATION: These Proposed Rules and Regulations shall be published in the Commonwealth Register in the section/s on emergency and proposed regulations (*see* 1 CMC § 9102(a)(1)) and posted in convenient places at the Tinian Mayor's Office and in local government offices in each senatorial district. (1 CMC § 9104(a)(1))

The Tinian Casino Gaming Control Commission shall take appropriate measures to make these Rules and Regulations known to the persons who may be affected by them (1 CMC 9105(b)(2)) by using whatever means available, such as email, mailing, posting in the community and on the web.

IMMEDIATE EFFECT: These emergency rules and regulations become effective immediately upon filing with the Commonwealth Register and delivery to the Governor. (1 CMC § 9105(b)(2)) This is because the Tinian Casino Gaming Control Commission has found that this effective date is required by the public interest or is necessary because of imminent peril to the public health, safety, or welfare. (*Id.*)

TO PROVIDE COMMENTS: No comments are required for these emergency rules and regulations. However, the related Notice of Proposed Rules and Regulations will specify comment procedures.


These emergency regulations were approved by the Tinian Casino Gaming Control Commission on September 24, 2015.

Submitted by: 
Mathew C. Masga
Chairman
Tinian Casino Gaming Control Commission

9/24/15
Date

Received by 
Esther S. Fleming
Special Asst for Administration

9/28/15
Date

Concurred by: 
ELOY S. INOS
Governor

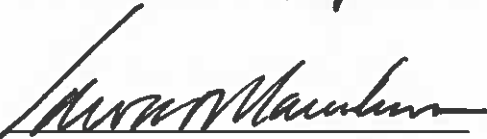
28 SEP 2015
Date

Filed and Recorded by: 
ESTHER SN. NESBITT
Commonwealth Registrar

09.28.2015
Date

Pursuant to 1 CMC § 2153(e) (AG approval of regulations to be promulgated as to form) and 1 CMC § 9104(a)(3) (obtain AG approval) the proposed regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published (1 CMC § 2153(f) (publication of rules and regulations)).

Dated the 28 day of September, 2015.


EDWARD MANIBUSAN
Attorney General

§ 170-30.2-115 INTERIM CASINO AUTHORIZATION

1. Interim Casino Authorization (herein after referred to as “ICA”) applies when a natural person or a body corporate acquires a significant ownership interest in an ongoing casino hotel operation, thereby triggering the Commission’s casino licensure or qualification requirements of the Revised Tinian Gaming Act of 1989 (herein after referred to as “the Gaming Act”) and its regulations. When this trigger takes place, the Commission will treat such natural person or body corporate as the new purchaser of the casino hotel complex. The new purchaser must enter into an acquisition agreement with a casino management team wherein the new purchaser places all its future rights, title and interests in the to-be-acquired property with the casino management team. Once the acquisition agreement is created and the new purchaser submits to a casino key employee license application process, the new purchaser then applies to the Commission for an ICA.
2. While the acquisition agreement is operative pending a sale of the to-be-acquired property, the unqualified applicant has no right to participate in the earnings of the casino hotel complex or receive any return on its investment. Upon the sale of the property, the unqualified applicant may only receive from the sale proceeds up to the lesser of the actual amount paid by the unqualified applicant, or the market value as of the date the acquisition agreement became operative. Any excess funds are paid to the Municipality.
3. The casino management team shall be a person or a corporation with relevant experience in the field of gaming management and, in the case of replacing a gaming licensee, shall have experience operating a gaming location of similar caliber in a jurisdiction with a comparable regulatory scheme to Tinian, and shall be in good standing in any jurisdiction where the person has held or holds a license, registration or other authorization. The casino management team shall agree to operate the gaming location in compliance with all requirements of the statement of conditions issued by the Commission in connection with the gaming license for the gaming location and any other terms and conditions set by the Commission.

Applicability and Requirements

- a. The acquisition agreement shall specify a closing or settlement date within 120 days after the submission of a completed application for licensure or qualification, which

application shall include a fully executed and approved acquisition agreement. Any contract provision which specifies an earlier closing or settlement date shall be void for all purposes. Within 90 days after the timely submission of the completed application, but no later than the closing or settlement date, the Commission shall hold a hearing and render a decision on the interim authorization of the applicant. If the Commission grants interim casino authorization, then the closing or settlement may occur without interruption of casino operations. If the Commission denies interim casino authorization, there shall be no closing or settlement until the Commission makes a determination on the qualification of the applicant, and if the Commission then denies qualification the contract shall thereby be terminated for all purposes without liability on the part of the transferor.

- b. The acquisition agreement must clearly state that the unqualified applicant agree that the casino management team will open a trust account and a checking account at a bank located within Tinian and is a member of the FDIC wherein all funds and monies collected from the operation of the casino shall be accounted for during the interim casino authorization. The casino management team shall provide the Commission a weekly and monthly reporting of such accounting.

§ 170-30.2-120 COMMISSION CONSIDERATION OF REQUEST FOR INTERIM CASINO AUTHORIZATION

1. The Commission may grant interim casino authorization where it finds by clear and convincing evidence that:
 - a. The casino hotel facility is an approved hotel in accordance with the Gaming Act and its regulations;
 - b. The purchasing party of the acquisition agreement have satisfied the qualification criteria applicable to a casino key employee under sections 32 and 33 of the Gaming Act; and
 - c. The interim operation will best serve the interests of the public with particular reference to the policies and purposes enumerated in Part XII of the Gaming Act.
2. The Commission's consideration of a request for interim casino authorization shall include,

but not be limited to, consideration of such relevant information as may be presented to it by the its investigative work. In responding to the request and in determining whether to concur, the investigator or investigating agent shall not be required to disclose any information the disclosure of which, in its judgment, may prejudice or otherwise compromise any continuing investigation.

**§ 170-30.2-125 PROVISIONS AND APPLICATION OF ACQUISITION
AGREEMENT**

1. The compensation for the service, costs and expenses related to the execution of the acquisition as carried out by the casino management team shall be stated in the agreement and shall be approved by the Commission.
2. The acquisition agreement filed shall, in all instances, contain such provisions as the Commission may deem necessary and desirable.
 - a. If the Commission denies interim casino authorization, it shall order that the casino management team will continue the operation of the hotel casino facility under TCGCC Regulation Appointment of an Administrator. The casino management team shall exercise all rights incident to the ownership of the property, and shall be vested with all powers, authority and duties necessary to the unencumbered exercise of such rights as governed under TCGCC Regulation Appointment of an Administrator.
 - b. Proceeds shall be distributed to the unqualified applicant only in an amount not to exceed the lower of the actual cost of the assets to such unqualified applicant, and any excess remaining proceeds shall be paid to the casino revenue fund.

§ 170-30.2-130 Obligations and responsibilities

During the period of interim casino authorization, the Commission and the Enforcement Division, or its investigative agent, shall continue such procedures as are provided by the Gaming Act and the regulations promulgated thereunder as may be necessary for a determination of the qualification of the person granted interim casino authorization. The obligations and

responsibilities incumbent upon an applicant, licensee or person required to be qualified are in no way relieved by the granting of interim casino authorization.

§ 170-30.2-135 Time for determining qualification

Within nine (9) months after a grant or denial of interim casino authorization, which period may be extended by the Commission for a one three-month period, the Commission shall hold a hearing and render a decision on the qualification of the applicant.

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
COMMONWEALTH HEALTHCARE CORPORATION
Esther L. Muna, Chief Executive Officer.

PUBLIC NOTICE OF EMERGENCY REGULATIONS

EMERGENCY ADOPTION AND IMMEDIATE EFFECT: The Commonwealth Healthcare Corporation ("the Corporation") finds that:

(1) the attached rules and regulations to allow the Corporation to promulgate its own procurement regulations, shall be adopted immediately on an emergency basis because the public interest so requires, for the reasons stated below (1 CMC § 9104(b), (c); 1 CMC § 9105(b)(2)); and

(2) the same rules and regulations shall be adopted, after a proper notice and comment period, as permanent regulations pursuant to the attached Notice of Proposed Rules and Regulations and the Administrative Procedure Act, 1 CMC § 9104(a).

AUTHORITY: The Corporation is empowered by statute to adopt rules and regulations concerning its own procurement activities. 3 CMC, Sec. 2824(g).

The Administrative Procedure Act provides that an agency may adopt an emergency regulation upon fewer than 30 days' notice if it states its reasons in writing:

(b) If an agency finds that the public interest so requires, or that an imminent peril to the public health, safety, or welfare requires adoption of a regulation upon fewer than 30 days' notice, and states in writing its reasons for that finding, it may, with the concurrence of the Governor, proceed without prior notice or hearing or upon any abbreviated notice and hearing that it finds practicable, to adopt an emergency regulation. The regulation may be effective for a period of not longer than 120 days, but the adoption of an identical regulation under subsections (a)(1) and (a)(2) of this section is not precluded.

1 CMC § 9104(b).

THE TERMS AND SUBSTANCE: These Rules and Regulations implement 3 CMC, Sec. 2824(g), which provides that the Corporation may issue its own procurement regulations.

ADOPTION OF EMERGENCY REGULATIONS FOR 120 DAYS: The Corporation has followed the procedures of 1 CMC § 9104(b) to adopt these Proposed Regulations on an emergency basis for 120 days.

REASONS FOR EMERGENCY ADOPTION: The Corporation, through its Chief Executive Officer, finds that the public interest requires adoption of these regulations on an emergency basis because the Office of the Attorney General has recently changed its review of Corporation contracts to require that the Secretary of Finance certify the availability of funds for Corporation purchases due to the lack of separate procurement

regulations for the Corporation. This places an immediate and undue burden on the Secretary of Finance and the Department of Finance as they are unfamiliar with the operations of the Corporation and the funds available to the Corporation to fund its purchases. In turn, this handicaps the procurement process for the Corporation and has and will result in undue delay in the acquisition of vital and necessary supplies and equipment for the furnishing of quality health care to the residents of the Commonwealth.


DIRECTIONS FOR FILING AND PUBLICATION: These Proposed Rules and Regulations shall be published in the Commonwealth Register in the section/s on emergency and proposed regulations (see 1 CMC § 9102(a)(1)) and posted in convenient places in the civic center and in local government offices in each senatorial district. (1 CMC § 9104(a)(1))


The Corporation shall take appropriate measures to make these Rules and Regulations known to the persons who may be affected by them (1 CMC 9105(b)(2)).

IMMEDIATE EFFECT: These emergency rules and regulations become effective immediately upon filing with the Commonwealth Register and delivery to the Governor. (1 CMC § 9105(b)(2)) This is because the Corporation, through its Chief Executive Officer, has found that this effective date is required by the public interest or is necessary because of imminent peril to the public health, safety, or welfare. (*Id.*)


TO PROVIDE COMMENTS: No comments are required for these emergency rules and regulations. However, the related Notice of Proposed Rules and Regulations will specify comment procedures. Please see the notice regarding these emergency regulations being presented as proposed regulations, in the September, 2015, Commonwealth Register.

These emergency regulations were approved by the Corporation, through its Chief Executive Officer, on September 15, 2015.

Submitted by:  09/23/15
Esther L. Muna
Chief Executive Officer
Commonwealth Healthcare Corporation
Date

Received by:  9/28/15
Esther S. Fleming
Special Asst for Administration
Date

Concurred by:



ELOY S. INOS
Governor

28 SEP 2015

Date

Filed and
Recorded by:



ESTHER SN. NESBITT
Commonwealth Register

09-28-2015

Date

Pursuant to 1 CMC § 2153(e) (AG approval of regulations to be promulgated as to form) and 1 CMC § 9104(a)(3) (obtain AG approval) the proposed regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published (1 CMC § 2153(f) (publication of rules and regulations)).

Dated the 28th day of September, 2015.



EDWARD MANIBUSAN
Attorney General

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COMMONWEALTH HEALTHCARE CORPORATION

PROCUREMENT REGULATIONS

The regulations in this subchapter are promulgated under the authority of pursuant to Public Law 16-51 §2804(g), codified at 3 CMC Section 2824(g), giving the Commonwealth Healthcare Corporation the power to adopt procurement and supply regulations pursuant to the Commonwealth law.

SUBCHAPTER 140-80.1 PROCUREMENT REGULATIONS

Part 001 General Provisions

Subpart A General

- § 140-80.1-001 Purposes
 - § 140-80.1-005 Authority
 - § 140-80.1-010 Supplementary General Principles of Law Applicability
 - § 140-80.1-015 Requirement of Good Faith
 - § 140-80.1-020 Application of Regulations
 - § 140-80.1-025 Severability
 - § 140-80.1-030 Validity of Contract
 - § 140-80.1-035 Remedy Against Employee
- #### ***Subpart B Definitions***
- § 140-80.1-040 Definitions
- #### ***Subpart C Public Access***
- § 140-80.1-050 Public Access to Procurement Information
 - § 140-80.1-060 Authorization for the Use of Electronic Transmissions.

Part 100 Procurement Organization

Subpart A Director of Procurement and Supply

- § 140-80.1-101 Creation of Procurement and Supply Division
- § 140-80.1-105 Director of Procurement and Supply (P&S)
- § 140-80.1-110 Duties of the P&S Director
- § 140-80.1-115 Contract Review, Processing and Oversight
- § 140-80.1-120 Split Contracts
- § 140-80.1-125 Acceptance of Gratuities by the P&S Director and Procurement and Supply Division Employees

Part 200 Source Selection and Contract Formation

Subpart A Source Selection

- § 140-80.1-201 Requirements for Competition
- § 140-80.1-205 Competitive Sealed Bidding
- § 140-80.1-210 Competitive Sealed Proposals
- § 140-80.1-215 Circumstances Permitting Other than Full and Open Competition
- § 140-80.1-220 Small Purchases
- § 140-80.1-225 Sole Source Procurement

- § 140-80.1-230 Emergency Procurement

- § 140-80.1-235 Expedited Purchasing in Special Circumstances

Subpart B Cancellation of Invitation for Bids and Request for Proposals

- § 140-80.1-240 Cancellation

Subpart C Qualifications and Duties

- § 140-80.1-245 Responsibility of Bidders and Offerors

- § 140-80.1-250 Pre-qualification of Contractors

Subpart D Types of Contracts

- § 140-80.1-255 Permissible Types of Contracts

- § 140-80.1-260 Cost-reimbursement Contracts

- § 140-80.1-265 Requirements Contracts

- § 140-80.1-270 Multi-Year Contracts.

Subpart E Inspection and Audit

- § 140-80.1-275 Right to Inspect Place of Business

- § 140-80.1-280 Right to Audit Records

Subpart F Reports and Records

- § 140-80.1-285 Report of Anti-competitive or Deceptive Practices

- § 140-80.1-290 Retention of Procurement Records

Part 300 Procurement of Construction and Architect-Engineer Services, Professional Services, Vehicles and Special Conditions for Computer Software and Hardware

- § 140-80.1-301 Construction Procurement

- § 140-80.1-305 Architect-Engineer Services

- § 140-80.1-310 Competitive Selection Procedures for Professional Services

- § 140-80.1-315 Lease or Purchase of Vehicles

- § 140-80.1-320 Computer Software and Hardware

Part 400 Contract Terms and Administration of Contracts

- § 140-80.1-401 Contract Clauses

- § 140-80.1-405 Contract Administration

- § 140-80.1-410 Change Order

Part 500 **Protests and Disputes**
Subpart A ***Bid Protests and Appeals***
§ 140-80.1-501 Protests to the P&S Director
§ 140-80.1-505 Appeals of P&S Director's
Decisions to the Public Auditor
§ 140-80.1-510 Remedies
§ 140-80.1-515 Effective Date
Subpart B ***Disputes***
§ 140-80.1-520 Disputes

Part 600 **Socio-economic Programs**
[Reserved.]

Part 700 **Ethics in Public**
Contracting
Subpart A ***Definitions***
§ 140-80.1-701 Definitions of Terms
Subpart B ***Standards of Conduct***
§ 140-80.1-705 Policy
§ 140-80.1-710 General Standards
§ 140-80.1-715 Employee Disclosure
Requirements
§ 140-80.1-720 Employee Conflict of
Interest
§ 140-80.1-725 Gratuities and Kickbacks
§ 140-80.1-730 Prohibition Against
Contingent Fees
§ 140-80.1-735 Contract Clauses
§ 140-80.1-740 Restrictions on Employment
of Present and Former Employees
§ 140-80.1-745 Use of Confidential
Information
§ 140-80.1-750 Collusion by Bidders
§ 140-80.1-755 Civil and Administrative
Remedies
§ 140-80.1-760 Authority to Debar or
Suspend

Part 001 - General Provisions

Subpart A - General

§ 140-80.1-001 Purposes

(a) Interpretation. The regulations in this subchapter shall be construed and applied to promote their underlying purposes and policies.

(b) Purposes and Policies. The underlying purposes and policies of the regulations in this subchapter are:

(1) To simplify, clarify, and modernize the procurement policies and practices of the Commonwealth Healthcare Corporation (CHCC) Corporation and to address meeting the needs for all goods and services, and particularly medical equipment, devices, and supplies, of a geographically remote hospital held to providing US standards level of care; that is, requiring specialized supplies and equipment to be delivered in a timely manner to all three of the CHCC facilities on the islands of Saipan, Tinian, and Rota and to allow the Commonwealth Healthcare Corporation to provide constant health education on preventative health care;

(2) To make-as consistent as possible-the procurement policies and practices among the various branches, activities, and divisions of the Commonwealth Healthcare Corporation;

(3) To provide for increased public confidence in the procedures followed in public procurement;

(4) To insure the fair and equitable treatment of persons who deal with the procurement system of the Commonwealth Healthcare Corporation;

(5) To provide increased economy in Commonwealth Healthcare Corporation procurement activities and to maximize to the fullest extent practicable the purchasing value of public funds;

(6) To foster effective, broad-based competition within the free enterprise system;

and

(7) To provide safeguards for the maintenance of a procurement system of quality and integrity.

§ 140-80.1-005 Authority

The regulations in this subchapter are promulgated under the authority of pursuant to Public Law 16-51 §2804(g), codified at 3 CMC Section 2824(g) giving the Commonwealth Healthcare Corporation the power to adopt procurement and supply regulations pursuant to the Commonwealth law.

§ 140-80.1-010 Supplementary General Principles of Law Applicability

Unless displaced by the particular provisions of this subchapter, the principles of law and equity including, but not limited to, the Uniform Commercial Code of the Commonwealth and common

law of fraud, conflicts of interest, waste, false pretenses, and public purpose shall supplement the regulations in this subchapter.

§ 140-80.1-015 Requirement of Good Faith

The regulations in this subchapter require all parties, including government employees, contractors, and suppliers involved in the negotiation, bidding, performance, or administration of government contracts to act in good faith.

§ 140-80.1-020 Application of Regulations

These regulations apply to all expenditure of public funds by the Commonwealth Healthcare Corporation irrespective of source. These regulations apply to all activities of the Commonwealth Healthcare Corporation. These regulations do not apply to employment contracts.

§ 140-80.1-025 Severability

If any provision of the regulations in this subchapter or any application thereof to any person or circumstances is held invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions or application of the regulations in this subchapter which can be given effect without the invalid provision or application, and to this end, the provisions of this subchapter are declared to be severable.

§ 140-80.1-030 Validity of Contract

No Commonwealth Healthcare Corporation contract shall be valid unless it complies with the regulations in this subchapter.

§ 140-80.1-035 Remedy Against Employee

Any procurement action of an employee of the CHCC in violation of the regulations in this subchapter is an action outside the scope of his or her employment. The CHCC will seek to have any liability asserted against it by a contractor which directly results from these improper acts to be determined judicially to be the individual liability of the employee who committed the wrongful act.

Subpart B - Definitions

§ 140-80.1-040 Definitions

As used in the regulations in this subchapter, unless the context otherwise requires, the following meanings apply:

(a) "Attorney General" means the Attorney General of the Commonwealth of the Northern Mariana Islands.

(b) The "CEO" is the Chief Executive Officer of the Commonwealth Healthcare Corporation.

(c) The "CFO" is the Chief Financial Officer of the Commonwealth Healthcare Corporation.

(d) "CHCC" means Commonwealth Healthcare Corporation.

(e) "Construction" means the process of building, altering, repairing, improving, or demolishing of a public structure or building or public improvements commonly known as "capital improvements." It does not include the routine maintenance of existing structures, buildings, or public real property.

(f) "Contract" means all types of agreements, regardless of what they may be called for the procurement of supplies, services, or construction, including purchase orders.

(g) "Cost-reimbursement contract" means a contract under which a contractor is reimbursed for costs which are allowable and in accordance with the contract terms and the regulations in this subchapter, and a fee, if any.

(h) "Definite-quantity contract" means a contract which provides for delivery of a definite quantity of specific supplies or services for a fixed period. This type of contract may be used when it can be determined in advance that a definite quantity of supplies or services will be required during the contract period.

(i) "Dispute" means a disagreement concerning the legal rights and obligations of contracting parties, which, if not settled by mutual agreement, must be referred to a neutral third party for resolution.

(j) "Electronic" means electrical, digital, magnetic, optical, electromagnetic, or any other similar technology.

(k) "Employee" means an individual receiving a salary from the CHCC, including appointive and elective officials and non-salaried individuals performing personal services for the CHCC. Consultants, independent contractors, and part-time workers shall be considered employees only with respect to the ethics in public contracting provisions in part 700.

(l) "Firm-fixed-price contract" means a contract which provides for a price that is not subject to any subsequent adjustment as a result of the contractor's cost experience in performing the contract. This type of contract places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss.

(m) "Goods" means all property, including but not limited to equipment, materials, supplies, and other tangible personal property of any kind or nature, printing, insurance, and leases of real and personal property.

- (n) "Government" or "Commonwealth" means the government of the Commonwealth of the Northern Mariana Islands which includes the executive, legislative, and judicial branches. It also includes government agencies, political subdivisions, public corporations and agencies of local government, all collectively referred to herein as "public agencies."
- (o) "Governor" means the Governor of the Commonwealth of the Northern Mariana Islands.
- (p) "Invitation for bids" means all documents, whether attached or incorporated by reference, used for soliciting bids.
- (q) "Official with expenditure authority" means the CHCC Chief Executive Officer (CEO) who may expend, obligate, encumber, or otherwise commit public funds for the benefit of the Commonwealth Healthcare Corporation.
- (r) "Person" means an individual, sole proprietorship, partnership, joint venture, corporation, other unincorporated association or a private legal entity.
- (s) "Procurement" means buying, purchasing, renting, leasing, or acquiring construction, goods, or services. It also includes all functions that pertain to the obtaining of construction, goods, or services, including description of requirements, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration.
- (t) "P&S Director" means the CHCC Director of Procurement and Supply within the Commonwealth Healthcare Corporation.
- (u) "Purchase description" means the words used in a solicitation to describe the goods, services, or construction to be purchased and includes specifications attached to, or made part of, the solicitation.
- (v) "Requirements contract" means a contract which provides for filling all actual purchase requirements of designated Government activities for supplies or services during a specified contract period, with deliveries or performance to be scheduled with the contractor.
- (w) "Responsible" in reference to a bidder, means a person who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.
- (x) "Responsive" in reference to a bidder, means a person who has submitted a bid which conforms in all material respects to the invitation for bids.
- (y) "Services" means the furnishing of time, labor, or effort by a person other than an employee, and not involving the delivery of a specific end product other than reports, plans, and incidental documents.

Subpart C - Public Access

§ 140-80.1-050 Public Access to Procurement Information

Procurement information shall be a matter of public record and shall be available for public inspection. Procurement information may be kept confidential when necessary to ensure proper bidding procedures. This decision shall be made only by the CHCC P&S Director.

§ 140-80.1-060 Authorization for the Use of Electronic Transmissions

The use of electronic media, including acceptance of electronic signatures, is authorized consistent with the CNMI's applicable statutory, regulatory or other guidance for use of such media, so long as such guidance provides for:

- (a) Appropriate security to prevent unauthorized access to the bidding, approval, and award processes; and
- (b) Accurate retrieval or conversion of electronic forms of such information into a medium which permits inspection and copying.

Part 100 - Procurement Organization

Subpart A - CHCC Director of Procurement and Supply

§ 140-80.1-101 Creation of Procurement and Supply Division

There is created in the Commonwealth Healthcare Corporation a Division of Procurement and Supply to assist the CEO in the execution of those duties authorized under Public Law 16-51 §2804(g).

§ 140-80.1-105 CHCC Director of Procurement and Supply (P&S)

The CHCC Chief Financial Officer shall appoint a CHCC P&S Director to administer and supervise the day-to-day activities of the CHCC Procurement & Supply Division. The Director of Procurement and Supply shall be assisted in carrying out his functions and duties by the Medical Supply Officer and employees of the Procurement and Supply Division.

§ 140-80.1-110 Duties of the CHCC P&S Director

The duties and responsibilities of the CHCC P&S Director include, but are not limited to, the following:

- (a) Ensure that the regulations in this subchapter are observed in all CHCC procurement;
- (b) Provide advance planning for the centralized purchase of CHCC supplies;

- (c) Procure or supervise the procurement of all supplies, goods, and services needed by the CHCC;
- (d) Conduct bidding, procurement, negotiation, or administration of government contracts upon request of the CEO, the official with expenditure authority;
- (e) Sell, trade, or otherwise dispose of surplus property belonging to and no longer needed by the CHCC;
- (f) Exercise general supervision and control over all inventories of supplies belonging to the CHCC;
- (g) Exercise general oversight and control on the use of physical assets and other capital equipment to prevent waste or abuse or other unauthorized use;
- (h) Establish and maintain programs for the inspection, testing, and acceptance of supplies;
- (i) Hear all protests and disputes; and
- (j) Oversee the administration of CHCC contracts.

§ 140-80.1-115 Contract Review, Processing, and Oversight

(a) All contracts must first be prepared by the CHCC CEO, the official with expenditure authority, who shall certify that s/he has complied with Procurement Regulations, codified in this subchapter, and that the proposed contract is for a public purpose, and does not constitute a waste or abuse of public funds. All contract documents must be complete including attachments and exhibits, if they are incorporated into the contract by reference.

(b) The next step in the contract process is the review by the CHCC P&S Director. Upon his own initiative or upon the request of the Public Auditor, the CHCC P&S Director may refer any contract to the Public Auditor for a recommendation before s/he approves or disapproves of the contract. The CHCC P&S Director shall cause such review to occur in a prompt and timely manner.

(c) The contract shall next be approved by the CHCC CFO or his designee who shall certify the availability of funds. If the CHCC CFO finds any aspect of the contract to be deficient or defective in any respect, s/he shall return the contract to the CHCC P&S Director for appropriate resolution with the CEO, the official with expenditure authority. The contract shall also be approved by other government agencies that need to certify the availability of funds for the contract.

(d) The fourth review is that of the CHCC Special Assistant Attorney General as designated by the Attorney General who shall certify the contract as to form and legal capacity. If there is no designation made, then the Attorney General will certify the contract.

- (e) The contract shall then be approved by the CHCC CEO.
- (f) After the approval of the CHCC CEO, the CHCC P&S Director shall forward the contract to the contractor for his approval and signature.
- (g) After the signature of the contractor, the CHCC P&S Director shall review the contract documents for completeness. If s/he is satisfied, s/e shall sign in the appropriate space and shall:
 - (1) Inform in writing the CHCC CEO that the contract has been signed by all parties and that s/he may proceed with contract implementation according to the terms contained therein; and
 - (2) Provide copies of said contract to the:
 - (i) CHCC CFO
 - (ii) Attorney General
 - (iii) Contractor.
- (h) A contract may be referred back to the CHCC P&S Director by the CEO, the official with expenditure authority or the Attorney General or designee for further review based on additional evidence that it may not comply with this subchapter. If the CHCC P&S Director withdraws approval or refuses to approve a contract, s/he shall state in writing the basis for his or her determination.
- (i) It is the responsibility of the CHCC CEO to ensure the contractor does not sign the contract or incur any expenses under it until all necessary signatures have been obtained. The supervision, inspection, and administration of a CHCC contract is the primary responsibility of the CEO, the official with expenditure authority. However, the supervision, inspection, and administration of construction contracts (including architect-engineer services) shall be performed by the Secretary of the Department of Public Works or his designee unless the Secretary certifies that the expenditure authority has the capability to handle his own construction and A&E contracts.
- (j) No contract is effective against the Commonwealth until all of the parties whose signatures are required on the contract form have signed the contract. A contract shall contain a right to audit records clause.

§ 140-80.1-120 Split Contracts

If the CHCC P&S Director determines that a contract has been split into two or more contracts for the purpose of avoiding bidding, then s/he may require the contract to be competitively bid.

§ 140-80.1-125 Acceptance of Gratuities by the CHCC P&S Director and Procurement and Supply Division Employees

In addition to the restrictions found in § 140-80.1-725, the CHCC P&S Director and the employees of the Procurement and Supply Division shall not accept from any person any gift of value given to them with the intent to influence their business judgment.

Part 200 - Source Selection and Contract Formation

Subpart A - Source Selection

§ 140-80.1-201 Requirements for Competition

The CEO, the official with expenditure authority, shall provide for full and open competition through use of the competitive procedure that is best suited to the circumstances of the contract action. The competitive procedures available for use in fulfilling the requirement for full and open competition are as follows:

- (a) Competitive sealed bidding (§ 140-80.1-205)
- (b) Competitive sealed proposals (§ 140-80.1-210)
- (c) Architect-engineer services (§ 140-80.1-305); and
- (d) Competitive selection procedures for professional services (§ 140-80.1-310).
- (e) The purchase of any equipment or related services pursuant to a US General Services Administration (GSA) blanket contract which has been negotiated by the federal government, shall be presumptively concluded to be in compliance with the competitive procurement requirements of these Regulations. This presumption shall apply not only to commercially available products, but also to products which are designed, manufactured and/or assembled according to GSA specifications.

§ 140-80.1-205 Competitive Sealed Bidding

- (a) All government procurement shall be awarded by competitive sealed bidding under this section, except as provided in:
 - (1) § 140-80.1-210 (Competitive Sealed Proposals);
 - (2) § 140-80.1-220 (Small Purchases);
 - (3) § 140-80.1-225 (Sole Source Procurement);
 - (4) § 140-80.1-230 (Emergency Procurement);
 - (5) § 140-80.1-235 (Expedited Purchasing in Special Circumstances);
 - (6) § 140-80.1-305 (Architect-Engineer Services); and
 - (7) § 140-80.1-310 (Competitive Selection Procedures for Professional Services)
- (b) Invitation for Bids.
 - (1) An invitation for bids shall be issued and shall include at the minimum:
 - (i) An invitation for bids number;
 - (ii) Date of issuance;
 - (iii) Name, address, and location of issuing office;
 - (iv) Specific location where bids must be submitted;
 - (v) Date, hour, and place of bid opening;

- (vi) A purchase description in sufficient detail to permit full and open competition and allow bidders to properly respond;
- (vii) Quantity to be furnished;
- (viii) Time, place, and method of delivery or performance requirements;
- (ix) Essential contractual terms and conditions; and
- (x) Any bonding requirements.

(2) Purchase descriptions of construction, goods, or services shall detail to the greatest extent practicable the specific requirements the contractor is expected to perform or deliver. An adequate purchase description shall adequately set forth the essential physical and functional characteristics of the construction, goods, or services necessary to fulfill the government's minimum requirements.

(c) Application for Brand Name Descriptions. An acquisition that uses a brand name description or other purchase description to specify a particular brand name, product, or feature of a product peculiar to one manufacturer is not normally allowed regardless of the number of sources solicited. It shall be allowed only when justified and approved in accordance with the procedures on justifying sole-source procurement. Specifically, the justification shall indicate that the use of such descriptions in the acquisition is essential to the government's requirements, thereby precluding consideration of a product manufactured by another company. "Brand-name or equal" descriptions, and other purchase descriptions that permit prospective contractors to offer products other than those specifically referenced by brand name, provide for full and open competition and do not require justifications and approvals to support their use.

(d) Bid Solicitation Accuracy. The bid solicitation shall adequately state what is to be done or what is to be delivered to the CHCC in order to allow bidders to properly respond and evaluations to be made on a uniform basis. Exact quantities shall be stated in the statement of deliverables, unless use of a requirements contract is justified under § 140-80.1-265.

(e) Publication. The CHCC P&S Director shall publicize all invitation for bids in order to increase competition and broaden industry participation. The bidding time (i.e., the time between issuance of the solicitation to the public and opening of bids) shall be prescribed as follows:

(1) Minimum Bidding Time. A bidding period of at least 30 calendar days shall be provided unless the P&S Director determines that a shorter time is reasonable and necessary. Such shorter bidding period must afford potential bidders a reasonable opportunity to respond considering the circumstances of the individual acquisition, such as the complexity, and urgency. The bidding period, however, shall never be less than fourteen calendar days.

(2) Extended Bidding Period. Because of limited bidding time in certain cases, potential sources may be precluded from bidding and others may be forced to include contingencies that, with additional time, could be eliminated. To avoid unduly restricting competition or paying higher-than-necessary prices, the CHCC P&S Director may increase the 30-day bidding period by not more than 60 additional calendar days, considering such factors as:

- (i) Degree of urgency;
- (ii) Complexity of requirements;
- (iii) Anticipated extent of subcontracting;

- (iv) Geographic distribution of bidders; and
- (v) Normal transmittal time for invitations and bids.

(f) **Public Notice.**

Because of the unique nature and varied needs of all parts of the institution, the CEO and the CHCC Director of P&S shall make a determination as to the best way to publicize the ITB. (1) Every procurement in excess of \$10,000 shall be publicized in one or more of the following ways:

- (a) in a newspaper of general circulation;
- (b) in a newspaper of local circulation in the area pertinent to the procurement;
- (c) in industry media;
- (d) through electronic mailing lists,
- (e) through the internet, agency web site, or other publicly accessible electronic media,
- (f) through electronic mailing lists, or
- (g) in a government publication designed for giving public notice.

(g) **Public Availability.** A copy of the Invitation for Bids shall be made available for public inspection at the CHCC Procurement Officer's office or the public information office.

(h) **Bid Receipt.**

(1) All bids shall be submitted to the office of the CHCC Procurement Director. Bids may be sent physically or electronically. Hard copies shall be received prior to the time set for opening and shall be maintained sealed in a locked receptacle at the office. Bids submitted from vendors outside the Commonwealth must be submitted electronically to ensure timely receipt. Local vendors may also submit bids electronically. It is the responsibility of the bidder to make sure its bid is received by the date set in the invitation for bids.

(2) If a bid is opened by mistake, it shall be resealed and the person who opened the bid shall write his signature and print his title on the envelope and deliver it to the CHCC P&S Director. No information contained in the bid shall be disclosed prior to the bid opening. The CHCC P&S Director shall cause the opened bid to be placed into the sealed receptacle.

(i) **Bid Opening.** The bid opening shall be conducted by the CHCC P&S Director or his or her designee. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The bids received prior to the bid closing date shall be publicly opened. The amount of each bid, together with the name of each bidder shall be recorded. The record and each bid shall be open to public inspection. The CHCC P&S Director or his or her designee shall prepare a written summary of the bid opening.

(j) **Bid Acceptance and Bid Evaluation.** Bids shall be unconditionally accepted without alteration or correction, except as authorized in this subchapter. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria as is necessary to

reasonably permit a determination as to the acceptability of the bid for the particular purpose intended.

(k) Responsiveness of Bids. To be considered for award, a bid must comply in all material respects with the invitation for bids. Bids must be filled out, executed, and submitted in accordance with the bid instructions. A bid may be considered only if

- (1) The bidder accepts all material terms and conditions of the invitation, and
- (2) Any future award based upon the bid would result in a binding contract with terms and conditions that do not vary from the requirements of the invitation. Electronic or facsimile bids shall not be considered unless permitted by the invitation.

(l) Bid Rejection. A bid may be rejected for any of the following reasons:

- (1) Failure to conform to essential requirements of the invitation for bids such as specifications or time of delivery;
- (2) Imposition of conditions or restrictions in the bid which modify requirements of the invitation or limit the bidder's liability to the government. For example, bids shall be rejected in which the bidder:
 - (i) Protects against future changes in conditions, such as increased costs;
 - (ii) Fails to state a price and indicates that price shall be the price in effect at the time of delivery;
 - (iii) States a price but qualifies it as subject to price in effect at time of delivery; or
 - (iv) Limits the rights of government.
- (3) Unreasonableness as to price;
- (4) A bid from a non-responsible bidder as defined in § 140-80.1-245.

(m) Correction or Withdrawal of Bids; Cancellation of Awards. Correction or withdrawal of inadvertently erroneous bids, before or after award, or cancellation of awards based on bid mistakes must be approved by the P&S Director in writing. After the bid opening, no changes in bid price or other provisions of bids prejudicial to the interest of the government or fair competition shall be allowed. Whenever a bid mistake is suspected, the government shall request confirmation of the bid prior to award. In such an instance, if the bidder alleges an error, the government shall only permit correction of the bid or withdrawal of the bid in accordance with subsection (l)(1) or (l)(2).

(n) Correction of bids. Correction of bids shall only be permitted when:

- (1) An obvious clerical mistake is clearly evident from examining the bid document. Examples of such mistakes are errors in addition or the obvious misplacement of a decimal point; or
- (2) The otherwise low bidder alleges a mistake and the intended bid is evident from the bid document or is otherwise supported by clear and convincing evidence as to the bid intended and the corrected bid remains the low bid. A low bidder shall not be permitted to correct a bid mistake resulting from an error in judgment.

(o) Withdrawal of bids. Withdrawal of a bid shall only be permitted where the otherwise low bidder alleges a mistake and there is a clear and convincing evidence as to the existence of a mistake.

(p) Cancellation of awards. Cancellation of awards or contracts shall only be permitted when:

- (1) Evidence as to the existence of the mistake is not discovered until after the award;
- (2) There exists no clear and convincing evidence to support the bid intended; and
- (3) Performance of the contract at the award price would be unconscionable.

(q) Award.

(1) The contract must be awarded with reasonable promptness by written notice to the lowest responsive bid by a responsible bidder whose bid fully meets the requirements of the invitation for bids and the regulations in this subchapter. Unsuccessful bidders shall also be promptly notified.

(2) Notice of an award shall only be made by the presentation of a contract with all of the required signatures to the bidder. No other notice of an award shall be made. No acceptance of an offer shall occur nor shall any contract be formed until a CHCC contract is written and has been approved by all the officials required by law and regulation. CHCC contracts shall contain a clause which states that the signature of the private contractor shall be the last in time to be affixed to a contract and that no contract can be formed prior to the approval of all required government officials.

(3) In the event all bids exceed available funds and the bid of the lowest responsive and responsible bidder does not exceed those funds by more than five percent, and time or economic considerations preclude re-solicitation of work of a reduced scope, the CEO, the official with expenditure authority may negotiate an adjustment of the bid price including changes in bid requirements, with the lowest responsive and responsible bidder in order to bring the bid price within the amount of available funds. The negotiation shall be documented in writing and attached to the bidding documents.

§ 140-80.1-210 Competitive Sealed Proposals

(a) Conditions for use. When the CEO, the official with expenditure authority, determines in writing that the use of a competitive sealed bidding is either not practical or not advantageous to the government and receives the approval of the CHCC P&S Director, a contract may be entered into by competitive sealed proposals.

(b) Request for proposals. Proposals shall be solicited through a request for proposals.

(c) Public notice. Adequate public notice of the request for proposals shall be given in the same manner as provided for in competitive sealed bids.

(d) Receipt of proposals. Proposals shall be opened so as to avoid disclosure of contents to competing offerors during the process of negotiation. A register of proposals shall be prepared and opened for public inspection after contract award.

(e) Evaluation factors. The request for proposals shall state the relative importance of price and other evaluation factors. Price or cost to the government shall be included as an evaluation factor in every solicitation of proposals. The CHCC P&S Director must ensure that the following requirements are complied with in any evaluation of proposals.

(1) All evaluation factors stated in the solicitation shall be considered in determining proposals in the competitive range (i.e., those allowed to participate further in the selection process), and any subsequent evaluations (including evaluation of best and final offers from the competitive range offerors).

(2) Competitive range. The CEO, the official with expenditure authority, shall determine which proposals are in the competitive range, based on the recommendations of the evaluator or evaluation team, for the purpose of conducting written or oral discussions, and shall include all proposals that have a reasonable chance of being selected for award. When there is doubt as to whether a proposal is in the competitive range, the proposal shall be included. Proposals determined to have no reasonable chance of being selected for contract award shall no longer be considered for selection. A proposal is not reasonably susceptible of being selected for award and can be excluded from the competitive range if it is clear that:

(i) Its contents are so unacceptable that a revision of the proposal in the negotiation stage would be equivalent to accepting a new proposal, or

(ii) In comparison with other proposals, such proposal clearly has no chance of being selected for award.

(3) Technical evaluation. If any technical evaluation is necessary beyond ensuring that the proposal meets the minimum requirements in the solicitation, the evaluator or evaluation team shall document the technical evaluation which shall include:

(i) The basis for the evaluation;

(ii) An assessment of each offeror's ability to accomplish the technical requirements;

(iii) A summary, matrix, or quantitative ranking of each technical proposal in relation to the best rating possible; and

(iv) A summary of findings. The supporting documentation prepared for the selection decision shall show the proposals' comparative strengths, weaknesses, and risks in terms of the evaluation factors.

(4) When technical criteria (generally, criteria other than price) are involved, the CHCC P&S Director shall determine in writing that the appropriate qualified personnel are assigned to conduct a technical evaluation of the proposals. In forming an evaluation team, the CHCC P&S Director shall insure that:

(i) The evaluators, including any other personnel responsible for the selection of competitive range offerors or final selection of an offeror, are formally designated to exercise such responsibility by the CEO, the official with expenditure authority in consultation with the CHCC P&S Director; and

(ii) Before conducting any evaluation, the CEO, the official with expenditure authority in consultation with the CHCC P&S Director, approves an evaluation plan which as a minimum shall include --

(A) A statement of the evaluation factors and any significant sub factors and their relative importance;

- (B) A description of the evaluation process, methodology, and techniques to be used; and
- (C) Documentation requirements.

(f) Notification to offerors excluded in the competitive range. The CHCC P&S Director shall promptly notify offerors when they are excluded from the competitive range or otherwise excluded from further consideration. The notice shall state the basis for the exclusion.

(g) Discussion with responsible offerors and revisions to proposals. As provided in the request for proposals, discussions may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification and to ensure full understanding of, and responsiveness to, solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submission and prior to award for the purpose of obtaining the best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.

(h) Award. Award shall be made to the responsible offeror whose proposal is determined in writing to be most advantageous to the government taking into consideration price and the evaluation factors set forth in the request for proposals. No other factors or criteria shall be used in the evaluation and the contract file shall contain the basis on which the award is made. Within three working days after the date of contract award, the CHCC P&S Director shall provide written notification to each unsuccessful offeror (unless pre-award notice was given under § 140-80.1-210(f)). The notice shall include, as applicable:

- (1) The number of offerors solicited;
- (2) The number of proposals received;
- (3) The name and address of each offeror receiving an award;
- (4) The items, quantities, and unit prices of each award (if the number of items or other factors makes listing unit prices impracticable, only the total contract price need be furnished); and
- (5) In general terms, the reason the offeror's proposal was not accepted, unless the price information in item (h)(4) of this subsection readily reveals the reason. In no event shall an offeror's cost breakdown, profit, overhead rates, trade secrets, manufacturing processes and techniques, or other confidential business information be disclosed to any other offeror.

§ 140-80.1-215 Circumstances Permitting Other than Full and Open Competition

(a) The following procurement methods permit contracting without using full and open competition.

- (1) Small purchases (§ 140-80.1-220);
- (2) Sole source procurement (§ 140-80.1-225);
- (3) Emergency procurement (§ 140-80.1-230); and
- (4) Expedited purchasing in special circumstances (§ 140-80.1-235).

(b) Use of the methods in (a)(2), (a)(3), and (a)(4) above is subject to the following requirements.

(1) The CEO, the official with expenditure authority, before executing the contract, shall justify to the CHCC P&S Director in writing the following:

(i) The need for contracting, the purpose of the contract, how the expected outcome would help the agency achieve its objectives, and that the services do not unnecessarily duplicate any previously performed work or services.

(ii) The non-availability of resources within and without the agency;

(iii) Vendor qualifications. The CEO, the official with expenditure authority, shall review any contractor evaluation on file with the CHCC P&S Director. For professional services contract, a completed resume for each contractor participant who will exercise a major role in the completion of the contract will be required; and

(iv) Reasonableness of price. No presumption of reasonableness shall be attached to the incurring of costs by a contractor. The following factors will be used in determining whether costs are justified: cost information in sufficient detail to support and justify the contract; cost information for similar services, with differences noted and explained; and special factors affecting the costs under the contract. For contract amendments, the agency shall examine price considerations in the same manner as one would examine them for a basic contract. If the independent government estimate appears to be defective, other means of comparison, such as a history of contracts with similar requirements, or current market prices, shall be used.

(v) Documentation of the above should be contained in a form prescribed by the CHCC P&S Director.

(2) If the CHCC P&S Director's written determination was that the request for contract execution was not justified based on the analysis of items in subsection (b)(1) above, he shall promptly notify the CEO, the official with the expenditure authority, of his or her disapproval in writing.

§ 140-80.1-220 Small Purchases

(a) Any procurement not exceeding the amounts established herein may be made in accordance with small purchase procedures. However, procurement requirements shall not be artificially divided so as to constitute a small purchase.

(b) Bidding is not required for procurement under \$5,000.

(c) Bidding is not required but is encouraged for procurement over \$5,000 and under \$25,000, or \$50,000 if it is medical equipment, supplies, or devices. The CEO, the official with expenditure authority, must obtain price quotations from at least three vendors and base the selection on competitive price and quality for procurement valued at \$5,000 to \$25,000 or \$50,000 for medical equipment, supplies, or devices. Any price quotations obtained must be written, documented, and submitted to the CHCC P&S Director for approval.

(d) Purchase orders may be used for small purchases pursuant to subsections (b) and (c).

§ 140-80.1-225 Sole Source Procurement

(a) A contract may be awarded for a supply, service, or construction without competition when:

- (1) The CHCC P&S Director determines in writing that there is only one source for the required supply, service, or construction; or
- (2) For good reason put forward in writing, the CEO, the official with expenditure authority, determines that only a particular kind of machine, equipment, device, or supply is needed either because it is the US medical standard, there is a need for continuity of equipment or supplies, or because of maintenance or servicing issues;
- (3) To obtain professional services for the purpose of facilitating the process of obtaining needed critical infrastructure funding in order to harden and enhance the capability of protecting critical infrastructure of the CHCC; or
- (4) To obtain professional services for the purpose of facilitating the establishment of a unit authorized in a federal defense appropriation act; or
- (5) Solely for the purpose of obtaining expert witnesses for litigation; or
- (6) For legal services including legal advice and defense; or
- (7) For policy consultants to the CEO, CFO, COO, Medical Staff, and the Board of Directors including but not limited to economic, statistical, accounting, medical, and environmental consultants.

(b) For any sole source procurement pursuant to subsection (a)(1), a written justification for sole source procurement shall be prepared by the CEO, the official with expenditure authority, and shall contain the specific unique capabilities required; the specific unique capabilities of the contractor; the efforts made to obtain competition; and the specific considerations given to alternative sources and specific reasons why alternative sources were not selected.

(c) For any sole source procurement pursuant to subsections (a)(2), (a)(3) or (a)(4), the CEO, the official with expenditure authority, shall provide a written copy of the applicable federal grant or act under which the services are authorized or required.

§ 140-80.1-230 Emergency Procurement

(a) Notwithstanding any other provision of the regulations in this subchapter, the CEO, the official with expenditure authority, may make an emergency procurement when there exists a threat to public health, safety, or welfare under emergency conditions. An emergency procurement must be as competitive as practicable under the circumstances.

(b) A written justification of the basis for the emergency and for the selection of the particular contractor must be made by the CEO, the official with expenditure authority.

(c) If the CHCC P&S Director is satisfied, s/he shall state his or her approval in writing.

§ 140-80.1-235 Expedited Purchasing in Special Circumstances

(a) When special circumstances require the expedited procurement of goods or services including professional services for the purpose of facilitating the process of obtaining needed critical infrastructure funding in order to harden and enhance the capability of protecting critical infrastructures of the CHCC, the CEO, the official with expenditure authority, may request that the CHCC P&S Director approve expedited procurement without the solicitation of bids for proposals.

(b) The factor to be considered by the CHCC P&S Director in approving or disapproving this request shall be:

(1) The urgency of the CHCC's need for the good or services especially if procuring vehicles and equipment specifically designed for chemical, biological, nuclear exposure and bomb detection and critically needed emergency medical supplies as described by the Office of Domestic Preparedness;

(2) The comparative costs of procuring the goods or service from a sole source or through the competitive process;

(3) The availability of the goods or service in the Commonwealth and the timeliness in acquiring it; and

(4) Any other factors establishing the expedited procurement is in the best interest of the CHCC.

(c) Upon the CHCC P&S Director's written determination that the factors in (b) above justify an expedited purchase, s/he shall process the necessary document(s) and assist the CEO, the official with the expenditure authority, in procuring the required goods or services in the most efficient manner.

(d) If the CHCC P&S Director determines that the request for the expedited procurement did not meet the criteria in (b) above, s/he should promptly notify the official with the expenditure authority of his or her disapproval in writing.

(e) The expedited procurement shall be as competitive as possible under the circumstances.

(f) The total amount of goods or service that may be approved under this section shall not exceed \$50,000 except when such goods or services are procured for the purpose of facilitating the process of obtaining needed critical infrastructure funding in order to harden and enhance the capability of protecting critical infrastructures of the CHCC including procuring vehicles and equipment specifically designed for chemical, biological, nuclear exposure and bomb detection and critically needed emergency medical supplies as described by the Office of Domestic Preparedness.

Subpart B - Cancellation of Invitation for Bids and Request for Proposals

§ 140-80.1-240 Cancellation

An invitation for bids or request for proposals may be canceled, and any and all bids or proposals may be rejected, when such action is determined in writing by the CEO, the official with

expenditure authority and approved by the CHCC P&S Director to be in the best interest of the CHCC based on:

- (a) Inadequate or ambiguous specifications contained in the solicitation;
- (b) Specifications which have been revised;
- (c) Goods or services being procured which are no longer required;
- (d) Inadequate consideration given to all factors of cost to the government in the solicitation;
- (e) Bids or proposals received indicate that the needs of the government can be satisfied by a less expensive good or service;
- (f) All offers with acceptable bids or proposals received are at unreasonable prices;
- (g) Bids were collusive; or
- (h) Cancellation is determined to be in the best interest of the government.

Subpart C - Qualifications and Duties

§ 140-80.1-245 Responsibility of Bidders and Offerors

- (a) Awards shall be made only to responsible contractors. To be determined responsible, a prospective contractor must:
 - (1) Have adequate financial resources to perform the contract, or the ability to obtain them;
 - (2) Be able to comply with the required delivery or performance schedule;
 - (3) Have a satisfactory performance record;
 - (4) Have a satisfactory record of integrity and business ethics;
 - (5) Have the necessary organization, experience, and skills, (or the ability to obtain them), required to successfully perform the contract;
 - (6) Have the necessary production, construction, and technical equipment facilities, or the ability to obtain them; and
 - (7) Be otherwise qualified and eligible to receive an award under applicable laws and rules.
- (b) Obtaining information. Prior to award, the CHCC P&S Director shall obtain information from the bidder or offeror necessary to make a determination of responsibility using the factors in subsection (a) above. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for determination of non-responsibility with respect to that bidder or offeror.
- (c) Right of non-disclosure. Information furnished by a bidder or offeror pursuant to subsection (b) may not be disclosed outside of the office of the CHCC P&S Director, or any

other government official involved without prior consent by the bidder or offeror.

(d) Non-responsibility determination. When a bid or proposal on which a contract award would otherwise be made is rejected because the prospective contractor is found to be non-responsible, a written determination shall be signed by the CHCC P&S Director stating the basis for the determination and this shall be placed in the contract file.

§ 140-80.1-250 Pre-qualification of Contractors

Prospective suppliers of goods or services may be pre-qualified for particular types of construction, goods and services when determined necessary by the CHCC P&S Director. Opportunity for qualification before solicitation shall be afforded to all suppliers. Solicitation mailing lists of potential contractors shall include, but shall not be limited to, pre-qualified suppliers. In no event will bidders be allowed to qualify after the bid opening.

Subpart D - Types of Contracts

§ 140-80.1-255 Permissible Types of Contracts

Government contracts shall utilize a firm fixed price unless the use of a cost reimbursement contract is justified under § 140-80.1-260. Government contracts shall also use definite-quantity contracts unless a requirements contract is justified under § 140-80.1-265. Use of cost-plus-a-percentage-of-cost and percentage of construction cost methods of contracting are prohibited.

§ 140-80.1-260 Cost-reimbursement Contracts

(a) Policy. Cost-reimbursement contracts must contain a ceiling which the contractor shall not exceed without the recommendation of the official with expenditure authority and approval by the CHCC P&S Director.

(b) Application. A cost-reimbursement contract may be used when the CHCC P&S Director attaches to the contract a written determination that --

- (1) Uncertainties in the work to be performed make the cost of performance too difficult to estimate with the degree of accuracy required for a firm fixed price contract;
- (2) Use of a cost reimbursement contract is likely to be less costly to the CHCC than any other type due to the nature of the work to be performed under the contract.

(c) Limitations.

- (1) A cost-reimbursement contract may only be used when the CHCC P&S Director determines that the contractor's accounting system is adequate for determining costs applicable to the contract, and government surveillance in the form of a construction management contract will be obtained to ensure the use of efficient methods and effective cost controls in the performance of the contract.
- (2) The use of cost-reimbursement contracts is prohibited for the acquisition of commercially available items.

(d) Cost-plus-fixed-fee contracts.

(1) Description. A cost-plus-fixed-fee contract is a cost-reimbursement contract that provides for payment to the contractor of a negotiated fee that is fixed at the inception of the contract. The fixed fee does not vary with actual cost, but may be adjusted as a result of changes in the work to be performed under the contract, authorized pursuant to § 140-80.1-410(a).

(2) Application.

(i) A cost-plus-fixed-fee contract is suitable for use when the conditions of § 140-80.1-260(b) are present and the contract is for the performance of research or preliminary exploration or study, and the level of effort required is unknown.

(ii) A cost-plus-fixed-fee contract normally must not be used in development of major systems once preliminary exploration, studies, and risk reduction have indicated a high degree of probability that the development is achievable and the government has established reasonably firm performance objectives and schedules.

(3) Limitations. No cost-plus-fixed-fee contract shall be awarded unless the official with expenditure authority complies with all limitations in § 140-80.1-260(c).

§ 140-80.1-265 Requirements Contracts

(a) For the information of offerors and contractors, the CEO, the official with expenditure authority, shall state a realistic estimated total quantity in the solicitation and resulting contract. This estimate is not a representation to an offeror or contractor that the estimated quantity will be required or ordered, or that conditions affecting requirements will be stable or normal. The CEO, the official with expenditure authority, may obtain the estimate from records of previous requirements and consumption, or by other means, and shall base the estimate on the most current information available.

(b) The contract shall state, if feasible, the maximum limit of the contractor's obligation to deliver and the CHCC's obligation to order. The contract may also specify maximum or minimum quantities that the CHCC may order under each individual order and the maximum that it may order during a specified period of time. The contract shall specify that failure of the government to order such estimated minimum or maximum quantities will not entitle the contractor to any equitable adjustment in unit price.

(c) Application. A requirements contract may be appropriate for acquiring supplies or services when the government anticipates recurring requirements but cannot predetermine the precise quantities of supplies or services that designated government activities will need during a definite period.

§ 140-80.1-270 Multi-Year Contracts.

(a) Specified Period. Unless otherwise provided by law, a contract for supplies or services may be entered into for any period of time deemed to be in the best interests of the CHCC provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and funds are available for the first fiscal period at the time of contracting.

Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefor.

(b) Use. This Section permits multi-year procurements in order to enable CHCC to procure larger quantities and obtain the benefits of volume discounts. A multi-year contract should be used only for supplies or services needed on a continuing basis with annual quantity requirements that can be reasonably estimated in advance. Multi-year procurements should attract more competitors to submit bids or offers for the larger contract awards and thereby provide the jurisdiction with the benefits of increased competition. A multi-year contract is authorized where:

- (1) Estimated requirements cover the period of the contract and are reasonably firm and continuing; and
- (2) Such a contract will serve the best interests of the CHCC by encouraging effective competition or otherwise promoting economies in CHCC procurement.

(c) Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be cancelled and the contractor shall be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of the supplies or services delivered under the contract. The cost of cancellation may be paid from any appropriations available for such purposes. This Subsection is applicable when funds are not appropriated in a subsequent year of a multi-year contract which is in progress. Where funds are not appropriated or otherwise made available for the next funding period of the contract, there is no alternative but to cancel the contract and to reimburse the contractor for those non-recurring costs that have not been amortized through the selling price of goods already delivered under the contract. The phrase "non-recurring costs" should be broadly construed.

(d) Multi-Term Contract Procedure

(1) Solicitation. The solicitation shall state:

(a) The amount of supplies or services required for the proposed contract period;

(b) That a unit price shall be given for each supply or service, and that such unit prices shall be the same throughout the contract (except to the extent price adjustments may be provided in the solicitation and resulting contract);

(c) that the multi-term contract will be cancelled only if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal period succeeding the first; however, this does not affect either the CHCC's rights or the contractor's rights under any termination clause in the contract;

(d) That the CHCC Procurement Officer must notify the contractor on a timely basis that the funds are, or are not, available for the continuation of the contract for each succeeding fiscal period;

(e) Whether bidders or offerors may submit prices for:

- (i) The first fiscal period only;
- (ii) The entire time of performance only; or
- (iii) Both the first fiscal period and the entire time of performance;

(f) that a multi-term contract may be awarded and how award will be determined including, if prices for the first fiscal period and entire time of performance are submitted, how such prices will be compared; and

(g) that, in the event of cancellation as provided in Subsection R3-503.03.1(c) of this Section, the contractor will be reimbursed the unamortized, reasonably incurred, nonrecurring costs.

(2) Award. Award shall be made as stated in the solicitation and permitted under the source selection method utilized. Care should be taken when evaluating multi-term prices against prices for the first fiscal period that award on the basis of prices for the first period does not permit the successful bidder or offeror to "buy in", that is, give such bidder or offeror an undue competitive advantage in subsequent procurements.

(3) Cancellation.

(a) "Cancellation," as used in multi-term contracting, means the cancellation of the total requirements for the remaining portion of the contract because funds were not appropriated or otherwise made available. The contract for the first fiscal period shall not be cancelled. Cancellation results when the Procurement Officer:

- (i) notifies the contractor of nonavailability of funds for contract performance for any fiscal period subsequent to the first; or
- (ii) fails to notify the contractor by the date set forth in the contract, unless the parties agree to extend such date, that funds are available for performance of the succeeding fiscal period and funds which may be used for the contract have not been appropriated or otherwise made available.

(b) These provisions on cancellation of multi-term contracts do not limit the rights of the CHCC or the contractor under any termination clause of the contract if the contract is terminated pursuant to that clause rather than cancelled as provided in this Subsection.

Subpart E - Inspection and Audit

§ 140-80.1-275 Right to Inspect Place of Business

The CHCC may, at reasonable times, inspect the place of business of a contractor or any subcontractor which is related to the performance of any contract awarded or to be awarded by the CHCC.

§ 140-80.1-280 Right to Audit Records

As required by § 404 of Public Law No. 3-91 (1 CMC § 7845), the contractor and subcontractor or grantee and subgrantee at all levels shall provide the Public Auditor of the Commonwealth with access to and the right to examine and copy any records, data, or papers relevant to a government contract or grant for a period of three years after the final payment under the contract or grant. A clause to this effect shall appear in all government contracts and obligations.

Subpart F - Reports and Records

§ 140-80.1-285 Report of Anti-competitive or Deceptive Practices

(a) When for any reason any person suspects the following practices are occurring among bidders, offerors, contractors, or subcontractors, a notice of the relevant facts shall be transmitted by the CHCC P&S Director to the Attorney General without delay:

- (1) Unfair methods of competition;
- (2) Deceptive acts; or
- (3) Unfair business practices.

(b) These acts are more fully defined at 4 CMC § 5101 through § 5206.

§ 140-80.1-290 Retention of Procurement Records

(a) All procurement records shall be retained by the CHCC P&S Director for a period of 7 years after completion of construction, or full delivery of the goods or services under the contract.

(b) The CHCC P&S Director shall maintain a record listing all contracts for a minimum of five years. The records shall contain:

- (1) Each contractor's name;
- (2) The amount and type of each contract; and
- (3) A listing of the supplies, services, or construction procured under each contract; and
- (4) A listing of contracts per agency and by fiscal year.

(c) All procurement records, except those designated herein as not subject to disclosure, shall be available to public inspection.

Part 300 - Procurement of Construction and Architect-Engineer Services, Professional Services, Vehicles and Special Conditions for Computer Software and Hardware

§ 140-80.1-301 Construction Procurement

(a) Invitation for Bids.

(1) Deposit. The CHCC P&S Director shall determine the amount of deposit required for potential bidders to obtain the invitation for bids.

(2) Contents. The invitation for bids shall be prepared in accordance with § 140-80.1-205(b). In addition, the following items shall be included in the invitation for bids:

- (i) Notice to Bidders. General information regarding the project;

- (ii) Instructions to Bidders. Information on the preparation of bids, bid security requirements and forms and certifications that must be submitted with the bid;
- (iii) General Conditions. Standard contract clauses governing the performance of work;
- (iv) Special Conditions. Special contract clauses depending on the nature and dollar amount of the work to be performed; and
- (v) Technical Specifications. Specifications governing the technical aspects of the work to be performed.

(b) Bid Security.

- (1) Requirement. Bid security shall be required for all competitive sealed bidding construction contracts where the price is estimated by the CHCC P&S Director to exceed \$25,000.00 or when the CHCC P&S Director determines it is in the interest of the Commonwealth. Bid security shall be on a bid bond, in cash, by certified check, cashiers' check or other form acceptable to the government. A surety company shall hold the certificate of authority from the U.S. Secretary of the Treasury as an acceptable surety or other surety acceptable to the Attorney General.
- (2) Amount. Bid security shall be an amount equal to at least fifteen percent of the amount of the bid or other amount as specified in the invitation for bids depending upon the source of funding.
- (3) Rejection of Bid. Failure to furnish bid security, when required by the invitation, shall result in rejection of the bid as non-responsive.

(c) Contract Performance and Payment Bonds.

- (1) When a construction contract is awarded in excess of \$25,000.00, the following bonds or security shall be delivered to the government and shall become binding on the parties upon the execution of the contract:
 - (i) A performance bond satisfactory to the CHCC pursuant to subsection (c)(2) below, executed by a surety company authorized to do business in the Commonwealth or otherwise secured in a manner satisfactory to the government, in an amount equal to one hundred percent of the price specified in the contract; and
 - (ii) A payment bond satisfactory to the government pursuant to subsection (c)(2) below, executed by a surety company authorized to do business in the Commonwealth or otherwise secured in a manner satisfactory to the government, for the protection of all persons supplying labor and material to the contractor or its subcontractors for the performance of the work provided for in the contract. The bond shall be in an amount equal to one hundred percent of the price specified in the contract.
- (2) Acceptability of payment and performance bonds. The CHCC P&S Director shall ensure that the bonding company's pledged assets are sufficient to cover the bond obligation. Prior to the execution of the contract, the CHCC P&S Director shall require the selected contractor to submit:
 - (i) A current license from the bonding company showing that it has authority to issue bonds, and

(ii) A certification from the bonding company that the unencumbered value of its assets (exclusive of all outstanding commitments on other bond obligations) exceed the penal amount of each bond.

(3) A contractor submitting an unacceptable payment or performance bond may be permitted a reasonable time, as determined by the CHCC P&S Director, to substitute an acceptable bond prior to executing a contract. When evaluating payment and performance bonds, the CHCC P&S Director shall confirm the acceptability of the bonding company from other government agencies, such as the Insurance Office under the Department of Commerce.

(d) Suits on Payment Bonds; Right to Institute. Every person who has furnished labor or material to the contractor or its subcontractors for the work provided in the contract, in respect of which a payment bond is furnished under this section, and who has not been, paid in full therefor before the expiration of a period of ninety days after the day on which the last of the labor was done or performed by such person or material was furnished or supplied by such person for which such claim is made, shall have the right to sue on the payment bond for the amount, or the balance thereof, unpaid at the time of institution of such suit and to prosecute said action for the sum or sums justly due such person; provided, however, that any person having a direct contractual relationship with a subcontractor of the contractor, but no contractual relationship express or implied with the contractor furnishing said payment bond, shall have a right of action upon the payment bond upon giving written notice to the contractor within ninety days from the date on which such person did or performed the last of the labor or furnished or supplied the last of the material upon which such claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the material was furnished or supplied or for whom the labor was done or performed. Such notice shall be personally served or served by mailing the same by registered or certified mail, postage prepaid, in an envelope addressed to the contractor at any place the contractor maintains an office or conducts its business.

(e) Suits on Payment Bonds; Where and When Brought. Every suit instituted upon a payment bond shall be brought in a court of competent jurisdiction for the Commonwealth. The obligee named in the bond need not be joined as a party in any such suit.

(f) Fiscal Responsibility. Every contract modification, change order, or contract price adjustment under a construction contract shall be subject to prior written certification by the Chief Financial Officer as to the effect of the contract modification, change order or adjustment in contract price on the total project budget or the total contract budget. In the event that the certification discloses a resulting increase in the total project budget and/or the total contract budget, such contract modification, change order or adjustment in contract price shall not be made unless sufficient funds are available therefore, or the scope of the project or contract is adjusted so as to permit the degree of completion that is feasible within the total project budget and/or total contract budget as it existed prior to the price under consideration; provided, however, that with respect to the validity, as to the contractor, of any executed contract modification, change order or adjustment in contract price which the contractor has reasonably relied upon, it shall be presumed that there has been compliance with the provisions of this subsection.

§ 140-80.1-305 Architect-Engineer Services

- (a) Procurement Method. Architect-engineer services shall be procured as provided in this section except when authorized as a small purchase, expedited, or emergency procurement.
- (b) Policy. It is the policy to publicly announce all requirements for architect-engineer services and negotiate contracts on the basis of demonstrated competence and qualifications at a fair and reasonable price.
- (c) Selection. The CHCC P&S Director and the Technical Services Division of the Department of Public Works shall jointly solicit for current statements of qualifications of architect-engineer firms. Discussions shall be conducted with at least three of the firms regarding the contract requirements and technical approach and selection made therefrom, in order of preference, of no less than three firms determined to be the most highly qualified to perform the services required. Fee proposals may be solicited upon public announcement; however, this information shall not be considered in the selection of the most highly qualified firms. Such fee proposals may be used by the CHCC P&S Director in determining a fair and reasonable contract price.
- (d) Negotiation. The CHCC P&S Director shall negotiate a contract with the highest qualified architect-engineer firm at a price determined to be fair and reasonable to the CHCC. In determining what constitutes a fair and reasonable price to the government, the CHCC P&S Director shall consider factors such as the prices proposed by other firms responding to the solicitation. If a fair and reasonable price cannot be negotiated with the highest ranking qualified firm, then the CHCC P&S Director may select additional firms in order of competence and qualifications and continue negotiations until a fair and reasonable price is agreed upon.

§ 140-80.1-310 Competitive Selection Procedures for Professional Services

- (a) Procurement method. The services of accountants, physicians, or lawyers shall be procured as provided in this section except when authorized as a small purchase, emergency procurement, expedited procurement or sole-source procurement.
- (b) Policy. It is the policy to publicly announce all requirements for professional services and negotiate contracts on the basis of demonstrated competence and qualifications at a fair and reasonable price. The CHCC P&S Director shall solicit for qualifications of professional firms. Persons engaged in providing professional services may submit statements of qualifications and expressions of interests providing such types of services. Persons may amend these statements at any time by filing a new statement.
- (c) Public announcement and form of request for proposals. Adequate notice of the need for such services shall be given by the CEO, the official with expenditure authority, through a request for proposals. The request for proposals shall describe the services required, list the type of information and data required of each offeror, and state the relative importance of particular qualifications.

(d) Discussions. The official with expenditure authority may conduct discussions with any offeror who has submitted a proposal to determine such offerors qualifications for further consideration. Discussions shall not disclose any information derived from proposals submitted by other offerors.

(e) Award. Award shall be made to the offeror determined in writing by the CHCC P&S Director to be the best qualified based on the evaluation factors set forth in the request for proposals, and negotiation of compensation determined to be fair and reasonable. If compensation cannot be agreed upon with the best qualified offeror then negotiations will be formally terminated with the selected offeror. If proposals were submitted by one or more other offerors determined to be qualified, negotiations may be conducted with such other offeror or offerors, in the order of their respective qualification ranking, and the contract may be awarded to the offeror then ranked as best qualified if the amount of compensation is determined to be fair and reasonable.

§ 140-80.1-315 Lease or Purchase of Vehicles

(a) Policy. Any lease or purchase of CHCC vehicles shall be governed by this section. It applies to both the initial acquisition of vehicles and the renewal or extension of vehicle leases. The lease or purchase of vehicles shall be procured consistent with these rules and regulations. All vehicles leased or purchased shall be procured in the name of the CHCC, and shall conform to CNMI and federal laws, including the CNMI Government Vehicle Act (1 CMC § 7406), and associated rules and regulations.

(b) Whether to Lease or Purchase. CHCC shall consider whether to lease or purchase vehicles based on a case-by-case evaluation of comparative costs and other factors. The following factors are the minimum that shall be considered, and a record reflecting the application of these factors shall be provided in a form prescribed by the CHCC P&S Director and shall be included in the file:

- (1) Estimated length of the period in which the vehicle is to be used and the extent of use within that period.
- (2) Financial and operating advantages of alternative types and makes of vehicles.
- (3) Cumulative rental payments for the estimated period of use.
- (4) Net purchase price.
- (5) Maintenance and other service costs.
- (6) The following additional factors shall be considered, as appropriate,
 - (i) Availability of purchase options,
 - (ii) Potential for use of the vehicle by other agencies after its use by the acquiring agency is ended,
 - (iii) Trade-in or salvage value,
 - (iv) Imputed interest, and
 - (v) Availability of a servicing capability; e.g., can the vehicles be serviced by the government or other sources if it is purchased?

(c) Purchase method. The purchase method is appropriate if the vehicles will be used beyond the point in time when cumulative leasing costs exceed the purchase costs.

(d) Lease Method. The lease method is appropriate if it is to the government's advantage under the circumstances. The lease method may also serve as an interim measure when the circumstances require immediate use of vehicles to meet program or system goals; but do not currently support acquisition by purchase.

(e) Lease with Option to Purchase. If a lease is justified, a lease with option to purchase is preferable. Generally, a long term lease shall be avoided, but may be appropriate if an option to purchase or other favorable terms are included. If a lease with option to purchase is used, the contract shall state the purchase price or provide a formula which shows how the purchase price will be established at the time of purchase. The option to purchase may only be exercised by a government entity. The expenditure authority shall notify the CHCC P&S Director 30 days in advance if it does not intend to exercise the purchase option.

§ 140-80.1-320 Computer Software and Hardware

(a) Notwithstanding any other provision of these regulations, commercial computer software, including documentation, and hardware may be procured pursuant to this part.

(b) Commercial computer software, including commercial computer software documentation, may be acquired under a license customarily provided to the public to the extent such license is lawful and satisfies the CHCC's needs.

(c) In acquiring commercial software, the CHCC shall not generally require offerors and contractors to:

(1) Furnish technical information related to commercial computer software or commercial computer software documentation that is not customarily provided to the public;

(2) Transfer intellectual property rights or otherwise relinquish to, or otherwise provide, the government the rights to use, modify, reproduce, release, perform, display, or disclose commercial computer software or commercial computer software documentation, except as mutually agreed to by the parties. With regard to commercial computer software and commercial software documentation, the CHCC shall have only those rights specified in the license therefor.

(d) Competitive bidding, or competitive procurement shall not be required for commercial software upon a showing that:

(1) the software is advertised for sale to the public at prices which are readily determinable from public sources, including but not limited to, sources on the internet;

(2) proof of contemporaneous pricing which is actually available to CNMI purchasers is supplied in the contract package; and

(3) the other prices shown are within 10% of the pricing selected, or, the selected vendor will provide support for the software of a value which compensates for the difference in price.

(e) Competitive bidding or competitive procurement shall not be required with

respect to software for the following:

- (1) software purchased is an updated version of software previously purchased;
- (2) an extension of the license for previously-purchased software;
- (3) an extension of maintenance services for previously-purchased software; or

(f) The purchase of computer hardware, software, and/or related services, which is/are purchased pursuant to a US General Services Administration (GSA) blanket contract which had been negotiated by the federal government, shall be presumptively concluded to be in compliance with the competitive procurement requirements of these Regulations. This presumption shall apply not only to commercially available products, but also to products which are designed, manufactured and/or assembled according to GSA specifications.

Part 400 - Contract Terms and Administration of Contracts

§ 140-80.1-401 Contract Clauses

(a) **Price.** In executing contracts, agencies shall set the maximum amount that can be charged under the contract and disallow open-ended contracts, i.e. contracts which do not specify the maximum contract price. Whatever contract type is selected, agencies shall limit contracts to a fixed price or a ceiling price, and the contractor shall not exceed the price set unless a change order is approved (See § 140-80.1-410, change order). Provided, however, in the case of contracts for legal or lobbying services obtained pursuant to a contingency fee agreement, the CHCC shall put a fixed price on any costs to be borne by the CHCC, including but not limited to any price to be charged by the contractor in lieu of a percentage of an award obtained as a result of the contractor's services.

(b) **Payment Terms.** Payments shall be made only upon submission of evidence of work performed and adherence to contract terms and specifications. Generally, a one-time payment shall be made after the CEO, the official with expenditure authority, has certified completion of work or delivery of goods or services. Other types of payments are as follows:

(1) **Advance Payments.** Advance payments shall be authorized only in certain circumstances as provided in (b)(1)(i), in (b)(1)(ii), or in (b)(1)(iii) below.

(i) The contractor fails to qualify as a responsible contractor due solely to the absence of financial capability, and it is justified under § 140-80.1-225 that the contractor is the only available source, subject to the following conditions:

(A) General requirements - the contractor pledges adequate security, and the CEO, the official with expenditure authority, determines, based on written findings, that the advance payment is in the public interest.

(B) The standards for advance payment determination are:

(I) The advance payments will not exceed the contractor's interim cash needs based on an analysis of the cash flow required for contract performance, consideration of the reimbursement or other payment cycle, and employment of the contractor's own working capital;

(II) The advance payments are necessary to supplement other funds or credit available for the contract;

(III) The recipient is otherwise qualified as a responsible contractor in all areas other than financial capability; and

(IV) Paying the contractor in advance will result in specific advantages to the government.

(C) Advance payments shall be limited to not more than 25% percent of the contract price or an amount equivalent to a 60 day working capital requirement, whichever is lower.

(ii) The CEO, the official with expenditure authority, demonstrates in writing that the common business practice of a particular industry requires buyers to pay on an advance payment basis. Such advance payment shall be limited to not more than 50 percent of the contract price. Pertinent documents supporting such business practice shall be attached to the written justification.

(iii) The CEO, the official with expenditure authority demonstrates in writing that the advance payment is made pursuant to procurement of goods and services as provided in § 140-80.1-225(a)(2), (a)(3), or (a)(4), or § 140-80.1-235(b)(1).

(2) Progress Payments. Contracts may provide for progress payments to contractors for work performed or costs incurred in the performance of the contract. Not less than 10 percent of the contract amount shall be withheld pending final completion of the contract and an evaluation of the contractor's performance. However, if the contract consists of the performance of separate and distinct tasks, then any funds so withheld with regard to a particular task may be paid upon completion of that task and an evaluation of the contractor's performance. The CEO, the official with expenditure authority, shall not make progress payments on a contract unless it has first been established that the covered work or service has been delivered in accordance with the contract. Payments shall be allowed on stored materials only upon arrival of materials in the CNMI, not prior to shipment, and only after inspection by the CEO, the official with expenditure authority.

(c) The contract shall accurately reflect the actual government requirement, stating adequately what is to be done or to be delivered to the government. For instance, definite quantities shall be stated in the statement of deliverables, unless use of a requirements contract was justified under § 140-80.1-265. Contracts with general requirements shall be disallowed.

§ 140-80.1-405 Contract Administration

(a) The primary responsibility for ensuring compliance in contracting rests with the CEO, the official with expenditure authority. The CEO, the official with expenditure authority, must comply with requirements for advertising the availability of contracts, soliciting bids from potential contractors, evaluating the bidding contractors, drafting the contracts to conform with the applicable requirements, obtaining the appropriate approvals, approving payment for services, and evaluating the contractors upon completion of the contracts.

(b) The oversight responsibility for the government's administration and enforcement of its contracts rests primarily with the CHCC P&S Director. S/he shall be responsible for developing standard contract administration procedures to be used by the CEO, the official with expenditure authority, maintaining a central depository of contractor evaluations, and making the evaluations available to other agencies upon request.

(c) Contract Monitoring.

(1) Contract monitoring shall be accomplished through "production surveillance and reporting." Production surveillance is a function which the official with expenditure authority uses to determine contractor progress and to identify any factors that may delay performance. It shall involve government review and analysis of

(i) Contractor performance plans, schedules, controls, and industrial processes, and

(ii) The contractor's actual performance under them.

(2) When information on contract performance status is needed, officials with expenditure authority shall require contractors to submit production progress reports. The CEO, the official with expenditure authority, shall review and verify the accuracy of contractor reports and advise the CHCC P&S Director of any action s/he plans to take because of any potential or actual delay in performance, including withholding of payments.

(d) The CHCC P&S Director shall verify, whenever necessary and practicable, the results of monitoring by the CEO, the official with expenditure authority. The CHCC P&S Director shall determine the extent of surveillance based on several factors such as the contractor's history of contract performance, the contractor's experience with the contract supplies or services, and the contractor's financial capability. For construction contracts (including architect-engineer services), contract monitoring is performed by the Secretary of the Department of Public Works or his designee pursuant to § 140-80.1-115(i).

(e) Evaluating Results.

(1) Officials with expenditure authority shall complete, within 15 days of the end of the contract, a post-evaluation of each contractor which shall be kept on file for 36 months. The CEO, the official with expenditure authority, shall report at least the following information to the CHCC P&S Director on a prescribed form:

(i) Whether the contracted work or service was completed as specified in the contract, and the reasons for and amount of any cost overruns or delayed completions.

(ii) Whether the contracted work or services met the quality standards specified in the contract.

(iii) Whether the contractor fulfilled all the requirements of the contract, and if not, in what ways the contractor did not fulfill the contract.

(iv) Factors outside the control of the contractor that caused difficulties in contractor performance.

(v) How the contract results and findings will be used to meet the goals of the official with expenditure authority.

(2) The post evaluation of each contractor shall be submitted before final payment and close-out of the contract is done.

(3) Final payment shall not be made unless the contractor has submitted a tax clearance verifying the filing of all required Commonwealth employment, excise, gross revenue, and income tax returns and payment of all amounts owing on such returns.

(4) The CHCC P&S Director shall establish and maintain a central depository of all contract administration documents, which should include, but not be limited to, progress performance and post-evaluation documents. These documents shall be made available to any expenditure authority upon request to the CHCC P&S Director.

§ 140-80.1-410 Change Order

(a) Execution of a change order shall only be allowed if an increase, decrease, or change in the scope of work is required which was not reasonably foreseeable at the time of the formation of the contract. However, no change order resulting in an increase in contract cost or time shall be allowed when it is a direct result of the contractor's inexperience, inefficiency, or incompetence.

(b) Before adding significant new work to existing contracts, the agency shall thoroughly assess whether or not it would be more prudent to seek competition. Change orders on construction and A&E contracts which exceed 25 percent of the cumulative contract price shall automatically be procured through competitive procedures pursuant to § 140-80.1-201, except when the procurement of the additional work is authorized without using full and open competition under § 140-80.1-215.

(c) Contractors shall not be allowed to continue working beyond the expiration term of an original contract in the absence of an approved new contract or change order. Change orders shall be processed using the procedures for processing new contracts in § 140-80.1-115.

(d) Extension of Services. Award of contracts for recurring and continuing service requirements are often delayed due to circumstances beyond the control of contracting offices. In order to avoid negotiation of short extensions to existing contracts, the CHCC P&S Director may include an option clause in solicitations and contracts which will enable the government to require continued performance of any services within the limits and at the rates specified in the contract. The option provision may be exercised more than once, but the total extension of performance thereunder shall not exceed 6 months.

Part 500 - Protests and Disputes

Subpart A - Bid Protests and Appeals

§ 140-80.1-501 Protests to the CHCC P&S Director

(a) General

(1) Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the CHCC P&S Director. The protest shall be received by the CHCC P&S Director in writing within ten days after such aggrieved person knows or should have known of the facts giving rise thereto. The CHCC P&S Director shall consider all protests or objections to the award of a contract, whether submitted before or after award. If a protest is oral and the matter

cannot be resolved, written confirmation of the protest shall state fully the factual and legal grounds for the protest;

(2) Other persons, including bidders involved in or affected by the protest shall be given notice of the protest and its basis in appropriate cases. These persons shall also be advised that they may submit their views and relevant information to the CHCC P&S Director within a specified period of time. Normally, the time specified will be one week. Exceptions are to be considered exceptional and will be granted sparingly;

(3) The CHCC P&S Director shall decide the protest within thirty calendar days after all interested parties have submitted their views unless he certifies that the complexity of the matter requires a longer time, in which event he shall specify the appropriate longer time;

(4) When a protest, before or after award, has been appealed to the Public Auditor, as provided in these procedures, and the CHCC P&S Director is requested to submit a report, the CHCC P&S Director should include with his report a copy of;

(i) The protest;

(ii) The bid submitted by the protesting bidder and a copy of the bid of the bidder who is being considered for award, or whose bid is being protested;

(iii) The solicitation, including the specifications on portions relevant to the protest;

(iv) The abstract of offers or relevant portions;

(v) Any other documents that are relevant to the protest; and

(vi) The CHCC P&S Director's signed Decision setting forth findings, actions, and recommendations and any additional evidence or information deemed necessary in determining the validity of the protest. The Decision shall be fully responsive to the allegation of the protest. If the award was made after receipt of the protest, the CHCC P&S Director's report will include the determination prescribed in subsection (b)(4) below.

(5) Since timely action on protests is essential, they should be handled on a priority basis. Upon receipt of notice that an appeal from the CHCC P&S Director's decision has been taken to the Public Auditor, the CHCC P&S Director shall immediately begin compiling the information necessary for a report as provided in subsection (a)(4) above

(b) Protest Before Award

(1) The CHCC P&S Director shall require that written confirmation of an oral protest be submitted by the time specified in subsection (a)(1) and may inform the protester that the award will be withheld until the specified time. If the written protest is not received by the time specified, the oral protest may be disregarded.

(2) An award may be made in the normal manner unless the CHCC P&S Director finds it necessary in his discretion to take remedial action.

(3) When a proper protest against the making of an award is received, the award will be withheld pending disposition of the protest. The bidders whose bids might become eligible for award shall be informed of the protest. In addition, those bidders shall be requested, before expiration of the time for acceptance of their bids, to extend the time for acceptance to avoid the need for re-advertisement. In the event of failure to obtain such extensions of bids, consideration shall be given to proceeding with an award under subsection (b)(3) below.

(4) When the CHCC P&S Director receives a protest, a contract may not be awarded pending the resolution of the protest and appeal to the Public Auditor, if any, (including the time period for filing an appeal), unless it is determined in writing that urgent and compelling circumstances which significantly affect the interest of the CHCC will not permit awaiting the decision of the CHCC P&S Director and the Public Auditor.

(5) The CHCC P&S Director is authorized to make the determination in subsection (b)(3) above after receiving the recommendation of the expenditure authority. The determination of the urgent and compelling situation shall be submitted to the Attorney General for review, and absent objection from the Attorney General within five working days of such submittal, the CHCC P&S Director's determination becomes final. A contract award shall not be authorized until the CHCC P&S Director has notified the Public Auditor of his or her determination in subsection (b)(3) above. The CHCC P&S Director also shall give written notice to the protester and others concerned of the decision to proceed with the award.

(c) **Protests After Award**

Although persons involved in or affected by the filing of a protest after award may be limited, in addition to the CHCC P&S Director, at least the contractor shall be furnished the notice of protest and its basis in accordance with subsection (a)(2) above. When it appears likely that an award may be invalidated and a delay in receiving the supplies or services is not prejudicial to the government's interest, the CHCC P&S Director should consider seeking a mutual agreement with the contractor to suspend performance on a no-cost basis.

(d) **Computation of Time**

(1) Except as otherwise specified, all "days" referred to in this part are deemed to be calendar days of the Commonwealth government. The term "file" or "submit" except as otherwise provided refers to the date of transmission.

(2) In computing any period of time prescribed or allowed by these procedures, the day of the act or event from which the designated period of time begins to run shall not be included.

§ 140-80.1-505 Appeals of CHCC P&S Director's Decisions to the Public Auditor

(a) **Jurisdiction; Exhaustion of Remedies.** A written appeal to the Public Auditor from a decision by the CHCC P&S Director may be taken provided that the party taking the appeal has first submitted a written protest to the CHCC P&S Director as provided in section § 140-80.1-501 of these procedures, and the CHCC P&S Director has denied the protest or has failed to act on the protest within the time provided for in § 140-80.1-501(a)(3) above.

(b) **Form of Appeal.** No particular form of pleading is required for filing an appeal to the Public Auditor. The appeal shall, however:

- (1) Include the name and address of the appellant;
- (2) Identify the number of the solicitation or contract;
- (3) Contain a concise, logically arranged, and direct statement of the grounds for appeal; and
- (4) Specifically request a ruling by the Public Auditor.

(c) Time for Filing Appeal. An appeal from the CHCC P&S Director's decision must be received by the office of the Public Auditor not later than ten days after the appellant receives the decision of the CHCC P&S Director, or, in the event that the CHCC P&S Director has not decided the protest within ten days from the date that he or she should have decided the protest pursuant to § 140-80.1-501(a)(3) above. Any appeal received after these time limits shall not be considered by the Public Auditor unless good cause is shown or unless the Public Auditor determines that the appeal presents issues significant to procurement practices that are not outweighed by the detriment to the Commonwealth should the appeal be considered.

(d) Notice of Appeal, Submission of CHCC P&S Director's Report and Time for Filing of Comments on Report

(1) The Public Auditor shall notify the CHCC P&S Director by telephone and in writing within three days of the receipt of an appeal, requesting the CHCC P&S Director to give notice of the appeal to the contractor if award has been made or, if no award has been made, to all bidders or proposers who appear to have a substantial and reasonable prospect of receiving an award if the appeal is denied. The CHCC P&S Director shall be requested to furnish in accordance with § 140-80.1-501(a)(2) of these procedures copies of the protest and appeal documents to such parties with instructions to communicate further directly with the Public Auditor.

(2) Material submitted by an appellant will not be withheld from any Commonwealth or federal agency which may be involved in the appeal except to the extent that the withholding of information is permitted or required by law or regulation. If the appellant considers that the protest contains material which should be withheld, a statement advising of this fact must be affixed to the front page of the appeal document and the allegedly proprietary information must be so identified wherever it appears.

(3) The Public Auditor shall request the CHCC P&S Director to submit his or her Decision as expeditiously as possible (generally within 10 working days) in accordance with § 140-80.1-501(a)(4) of these procedures and to furnish a copy of the Decision to the appellant and other interested parties.

(4) Comments on the CHCC Decision shall be filed with the Public Auditor within ten days after the Public Auditor's receipt of the Decision, with a copy to other interested parties. Any rebuttal an appellant or interested party may make shall be filed with the Public Auditor within five days after receipt of the comments to which rebuttal is directed, with a copy to the agency office which furnished the report, the appellant, and interested parties, as the case may be.

(5) The failure of an appellant or any interested party to comply with the time limits stated in this section may result in resolution of the appeal without consideration of the comments untimely filed.

(e) Withholding of Award. When an appeal has been filed before award, the CHCC P&S Director, will not make an award prior to resolution of the protest except as provided in this section. In the event the CHCC P&S Director determines that award is to be made during the pendency of an appeal, the CHCC P&S Director will notify the Public Auditor.

(f) **Furnishing of Information on Protests.** The Public Auditor shall, upon request, make available to any interested party information bearing on the substance of the appeal which has been submitted by interested parties or agencies except to the extent that withholding of information is permitted or required by law or regulation. Any comments thereon shall be submitted within a maximum of ten days.

(g) **Time for Submission of Additional Information.** Any additional information requested by the Public Auditor from the appellant or interested parties shall be submitted no later than five days after the receipt of such request.

(h) **Conference.**

(1) A conference on the merits of the appeal with the Public Auditor may be held at the request of the appellant, any other interested party, or the CHCC P&S Director. Request for a conference should be made prior to the expiration of the time period allowed for filing comments on the agency report. Except in unusual circumstances, requests for a conference received after such time will not be honored. The Public Auditor will determine whether a conference is necessary for resolution of the appeal.

(2) Conferences normally will be held prior to expiration of the period allowed for filing comments on the agency report. All interested parties shall be invited to attend the conference. Ordinarily, only one conference will be held on an appeal.

(3) Any written comments to be submitted and as deemed appropriately by the Public Auditor as a result of the conference must be received in the office of the Public Auditor within five days of the date on which the conference was held.

(4) **Time for Decision - Notice of Decision:** The Public Auditor shall, if possible, issue a decision on the appeal within 30 days after all information necessary for the resolution of the appeal has been received. A copy of the decision shall immediately be mailed or otherwise transmitted to the appellant, other participating parties, and the CHCC P&S Director.

(i) **Request for Reconsideration.**

(1) Reconsideration of a decision of the Public Auditor may be requested by the appellant, any interested party who submitted comments during consideration of the protest, the CHCC P&S Director, and any agency involved in the protest. The request for reconsideration shall contain a detailed statement of the factual and legal grounds upon which reversal or modification is deemed warranted, specifying any errors of law made or information not previously considered.

(2) Request for reconsideration of a decision of the Public Auditor shall be filed not later than ten days after the basis for reconsideration is known or should have been known, whichever is earlier. The term "filed" as used in this section means receipt in the Office of the Public Auditor.

(3) A request for reconsideration shall be subject to these bid protest procedures consistent with the need for prompt resolution of the matter.

§ 140-80.1-510 Remedies

(a) Remedies Prior to Award. If prior to award the CHCC P&S Director or the Public Auditor determines that a solicitation or proposed award of a contract is in violation of law or regulation, then the P&S Director or the Public Auditor shall have the solicitation or proposed award:

- (1) Canceled; or
- (2) Revised to comply with law or regulation.

(b) Remedies after an Award. If after an award the CHCC P&S Director or the Public Auditor determines that a solicitation or award of a contract is in violation of law or regulation, then the P&S Director or the Public Auditor may:

- (1) If the person awarded the contract has not acted fraudulently or in bad faith:
 - (i) Ratify or affirm the contract provided it is determined that doing so is in the best interest of the Commonwealth; or
 - (ii) Terminate the contract and the person awarded the contract shall be compensated for the actual expenses reasonably incurred under the contract, plus a reasonable profit, prior to termination;
- (2) If the person awarded the contract has acted fraudulently or in bad faith:
 - (i) Declare the contract null and void; or
 - (ii) Ratify or affirm the contract if such action is in the best interests of the Commonwealth, without prejudice to the Commonwealth's rights to such damages as may be appropriate.

§ 140-80.1-515 Effective Date

All protests as to the manner of bidding, the failure to properly award a bid, the failure of government to contract with a business after bidding, or the cancellation of bids which may or may not be subject of lawsuit but have not reached final judgment as of the effective date of the regulations in this subchapter shall be heard in accordance with this subpart upon the request of the actual or prospective bidder, offeror, or contractor who is aggrieved.

Subpart B - Disputes

§ 140-80.1-520 Disputes

(a) Any dispute between the CHCC and a contractor relating to the performance, interpretation of or compensation due under a contract, which is the subject of the regulations in this subchapter, must be filed in writing with the CHCC P&S Director and the CEO, the official with the expenditure authority, within ten calendar days after knowledge of the facts surrounding the dispute.

(b)(1) The official with contracting authority will attempt to resolve the dispute by mutual agreement. If the dispute cannot be settled either party may request a decision on the dispute from the CHCC P&S Director. The CHCC P&S Director shall review the facts pertinent to the dispute, secure necessary legal assistance, and prepare a decision that shall include:

- (i) Description of the dispute;

- (ii) Reference to pertinent contract terms;
 - (iii) Statement of the factual areas of disagreement or agreement; and
 - (iv) Statement of the decision as to the factual areas of disagreement and conclusion of the dispute with any supporting rationale.
- (2) The CHCC P&S Director may require a hearing or that information be submitted on the record, in his discretion.

(c) **Duty to Continue Performance.** A contractor that has a dispute pending before the CEO, the official with expenditure authority or the CHCC P&S Director must continue to perform according to the terms of the contract and failure to so continue shall be deemed to be a material breach of the contract unless s/he obtains a waiver of this provision by the official with the expenditure authority.

Part 600 - Socio-economic Programs

[Reserved.]

Part 700 - Ethics in Public Contracting

Subpart A - Definitions

§ 140-80.1-701 Definitions of Terms

- (a) "Confidential information" means any information which is available to an employee only because of the employee's status as an employee of CHCC and is not a matter of public knowledge or available to the public on request.
- (b) "Conspicuously" means written in such special or distinctive form, print, or manner that a reasonable person against whom it is to operate ought to have noticed it.
- (c) "Direct or indirect participation" means involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity.
- (d) "Financial interest" means:
- (1) Ownership of any interest or involvement in any relationship from which or as a result of which, a person within the past year has received or is presently or in the future entitled to receive compensation; or
 - (2) Holding a position in a business such as an officer, director, trustee, partner, employee or the like or holding any position of management.
- (e) "Gratuity" means a payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.

- (f) "Immediate family" means spouse, children, parents, brothers, and sisters.

Subpart B - Standards of Conduct

§ 140-80.1-705 Policy

Public employment is a public trust. In governmental contracting, public employees shall discharge their duties impartially so as to:

- (a) Ensure fair competitive access to governmental procurement by reasonable contractors; and
- (b) Conduct themselves in a manner as to foster public confidence in the integrity of the government procurement process.

§ 140-80.1-710 General Standards

- (a) Employees. Any attempt to realize personal gain through public employment by conduct inconsistent with the proper discharge of the employee's duties is a breach of a public trust. In order to fulfill this ethical standard, employees must meet the requirements of the regulations in this subchapter.
- (b) Contractors. Any effort to influence any public employee to breach the standards of ethical conduct set forth in this subchapter is also a breach of ethical standards.

§ 140-80.1-715 Employee Disclosure Requirements

- (a) Disclosure of benefit received from contract. Any employee who has, or obtains any benefit from, any government contract with a business in which the employee has a financial interest shall report such benefit to the CHCC P&S Director.
- (b) Failure to disclose benefit received. Any employee who knows or should have known of such benefit and fails to report such benefit is in breach of these ethical standards.

§ 140-80.1-720 Employee Conflict of Interest

- (a) Conflict of interest. It is a breach of ethical standards for any employee to participate directly or indirectly in a procurement when the employee knows that:
- (1) The employee or any member of the employee's immediate family has a financial interest pertaining to the procurement; or
 - (2) Any other person, business or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

(b) Discovery of actual or potential conflict of interest, disqualification and waiver. Upon discovery of an actual or potential conflict of interest, an employee shall promptly file with the CHCC P&S Director a written statement of disqualification and shall withdraw from further participation in the transaction involved. The employee may, at the same time, apply to the Public Auditor for an advisory opinion as to what further participation, if any, the employee may have in the transaction.

§ 140-80.1-725 Gratuities and Kickbacks

(a) **Gratuities.** It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract or to any solicitation or proposal therefor.

(b) **Kickbacks.** It shall be a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith as an inducement for the award of a subcontractor or order.

§ 140-80.1-730 Prohibition Against Contingent Fees

(a) **Contingent fees.** It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure government contracts upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business.

(b) **Representation of contractor.** Every person, before being awarded a government contract, shall represent, in writing that such person has not retained anyone in violation of this section. Failure to do so constitutes a breach of ethical standards.

§ 140-80.1-735 Contract Clauses

The prohibitions against gratuities, kickbacks and against contingent fees shall be conspicuously set forth in every contract and solicitation therefor.

§ 140-80.1-740 Restrictions on Employment of Present and Former Employees

(a) **Present employees.** It shall be a breach of ethical standards for any employee who is participating directly or indirectly in the procurement process to become or be, while such an

employee, the employee of any person contracting with the CHCC by whom the employee is employed.

(b) Restrictions on former employees in matters connected with their former duties. Permanent disqualification of former employee personally involved in a particular matter. It shall be a breach of ethical standards for any former employee knowingly to act as a principal, or as an agent for anyone other than the government, in connection with any:

- (1) Judicial or other proceeding, application, request for a ruling or other determination;
- (2) Contract;
- (3) Claim; or
- (4) Charge or controversy, in which the employee participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, investigation, or otherwise while an employee, where the government is a party or has a direct or substantial interest.

(c) Disqualification of business when an employee has a financial interest. It shall be a breach of ethical standards for a business in which an employee has a financial interest knowingly to act as a principal, or as an agent for anyone other than government, in connection with any:

- (1) Judicial or other proceeding, application, request for a ruling or other determination;
- (2) Contract;
- (3) Claim; or
- (4) Charge or controversy, in which the employee either participates personally and substantially through decision, approval, disapproval recommendation, the rendering of advice, investigation, or otherwise, or which is the subject of the employee's official responsibility, where the government is a party or has a direct and substantial interest.

§ 140-80.1-745 Use of Confidential Information

It shall be a breach of ethical standards for any employee or former employee to knowingly use confidential information for actual or anticipated personal gain, or the actual or anticipated personal gain of any other person.

§ 140-80.1-750 Collusion by Bidders

Collusion or secret agreements between bidders for the purpose of securing an advantage to the bidders against the authorizing agent in the awarding of contracts is prohibited. The CEO, the official with the expenditure authority, may declare the contract void if he finds sufficient evidence after a contract has been let that contract was obtained by a bidder or bidders by reason of collusive or secret agreement among the bidders to the disadvantage of the government.

§ 140-80.1-755 Civil and Administrative Remedies

In addition to existing remedies provided by law, any person who violates any of the provisions of the regulations in this subchapter may be subject to one or more of the following:

- (a) Government employees.
 - (1) Government employee is any person whether appointed, elected, excepted service or civil service. An employee who violates the provisions of the rules and regulations in this subchapter is subject to adverse action as may be appropriate in his or her particular circumstances.
 - (2) This action includes but is not limited to reprimand, suspension without pay, termination of employment, civil injunction, civil suit for damages or return of CHCC money, or criminal prosecution.
- (b) Contractors. A contractor who violates a provision of the rules and regulations in this subchapter shall be subject to a written warning of reprimand, the termination of the contract, or suspension from being a contractor or subcontractor under a government contract in addition to other penalties prescribed by law.
- (c) All proceedings under this section must be in accordance with due process requirements.

§ 140-80.1-760 Authority to Debar or Suspend

- (a) Authority. After reasonable notice to the person involved and reasonable opportunity for the person to be heard under the Administrative Procedure Act [1 CMC §§ 9101, et seq.], the CHCC P&S Director after consultation with the CEO, the official with expenditure authority, and the Attorney General, shall have authority to debar a person for cause from consideration for award of contracts. The debarment shall not be for a period of more than three years. The same officer, after consultation with the official with authority and the Attorney General, shall have authority to suspend a person from consideration for award of contracts if there is probable cause for debarment. The suspension shall not be for a period exceeding three months.
- (b) Causes for debarment or suspension. The causes for debarment or suspension include the following:
 - (1) Conviction for commission of a criminal offense is an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
 - (2) Conviction under Commonwealth or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, violation of the Consumer Protection Act (4 CMC §§ 5101, et seq.), violation of any unfair business practices as prescribed by 4 CMC § 5202, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects its responsibility as a government contractor;
 - (3) Conviction under Commonwealth or federal antitrust statutes arising out of the submission of bids or proposals such as in chapter 2 of division 5 of title 4 of the Commonwealth Code;
 - (4) Violation of contract provisions, as set forth below, of a character which is regarded by the P&S Director to be so serious as to justify debarment action:

- (i) Deliberate failure without good cause to perform in accordance with the specifications within the time limits provided in the contract; or
 - (ii) A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered a basis for debarment;
 - (5) Any other cause that the CHCC P&S Director determines to be so serious and compelling as to affect responsibility as a government contractor, including debarment by another governmental entity; or
 - (6) For violation of any of the ethical standards set forth in part 700.
- (c) Decision. The CHCC P&S Director shall issue a written decision to debar or suspend. The decision shall state the reasons for the action taken.
- (d) Notice of decision. A copy of the decision shall be mailed or otherwise furnished immediately to the debarred or suspended person. A copy of the decision shall also be provided to other Commonwealth procurement offices.



ZONING BOARD

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Caller Box 10007, Saipan, MP 96950 Tel. 670-234-9661, FAX 234-9666

E-mail ZoningBoard@zoning.gov.mp

Diego C. Blanco, Chairman
Alice S. Igitol, Treasurer

Joe E. Ayuyu, Jr., Member
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Commonwealth of the Northern Mariana Islands Commonwealth Zoning Board

Diego C. Blanco, Chairman
P O Box 10007 Saipan MP 96950
Tel 670.234.9661
staff@zoning.gov.mp

NOTICE OF CERTIFICATION AND ADOPTION OF RULE

ADOPTION OF RULE: ADOPTION OF "Zoning Office Guideline, No. 2015-11, on capping fees under the Commonwealth Zoning Regulations"

ACTION TO ADOPT RULE: The Commonwealth of the Northern Mariana Islands, Commonwealth Zoning Office, HEREBY ADOPTS AS A RULE the attached "Zoning Office Guideline, No. 2015-11," on limiting fees under the Commonwealth Zoning Regulations pursuant to the procedures of the Administrative Procedure Act (APA), 1 CMC §§ 9102, 9105 and applicable regulations.

AUTHORITY: The attached rule is being promulgated by the Administrator of the Zoning Office of the Commonwealth of the Northern Mariana Islands ("Zoning"). These rules, regulations, technical provisions, and specifications shall have the force and effect of law and shall be binding on all persons and other legal entities subject to the jurisdiction of the Commonwealth Zoning Office.

PURPOSE AND OBJECTIVE OF RULE: NMIAC Chapter 165-30.1-301, Table 300-1, entitled Zoning Fees, sets forth fees for zoning permits. Zoning adopts this rule to clarify that conditional use permit fees and conditional use permit amendment fees shall be limited to a total of \$5,500.00 for any project or project amendment.

DIRECTIONS FOR FILING AND PUBLICATION: This Rule shall be published in the Commonwealth Register in the section on newly adopted Rules (1 CMC § 9102(a)(2)).

The Administrator will take appropriate measures to make this Rule known to the persons who may be affected by them.

EFFECTIVE DATE: Pursuant to the APA, 1 CMC § 9105(b) and applicable regulations, this adopted Rule is effective 10 days after compliance with 1 CMC §§ 9102, 9105 and publication in the Commonwealth Register.

I, Therese T. Ogumoro, Administrator of the Commonwealth Zoning Office, hereby approve the attached Rule.

Submitted by:


Therese T. Ogumoro
Administrator, Zoning Office

9.22.15
Date

Filed and
Recorded by:


Esther SN. Nesbitt
Commonwealth Register

09-28-2015
Date

Received by:


Esther S. Fleming
Special Assistant for Administration

9/28/15
Date

Pursuant to 1 CMC § 2153(e) and 1 CMC § 9102(c), the rule attached hereto has been reviewed and approved as to form and legal sufficiency by the Attorney General and shall be published, 1 CMC § 2153(f) (publication of rules and regulations).


Edward Manibusan
Attorney General

9-28-15
Date

Zoning Office Guideline

Title: 1. Limit (Maximum) Amount on Zoning Fees

Purpose: This guideline sets the cap or limit on the amount of Zoning Fees to be charged for conditional use permits and amendments.

Guideline No. 2015-11

Adopted: September 22, 2015

By: Therese T. Ogumoro, Zoning Administrator



1. To accurately reflect the level of administrative effort required by the Commonwealth Zoning Office and Commonwealth Zoning Board for conditional use applications, the maximum amount of fees to be charged for any conditional use project or any conditional use project amendment, as set forth in Table 300-1, NMIAC 165-30.1-30, shall not exceed \$5,500.00.



Department of Commerce

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
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PUBLIC NOTICE OF CERTIFICATION AND ADOPTION OF THE DEPARTMENT OF COMMERCE RULES AND REGULATIONS Implementation of 4 CMC § 6513

ACTION TO ADOPT PROPOSED REGULATIONS: The Department of Commerce hereby adopts the proposed regulations previously published in Volume 37, Number 06 of the Commonwealth Register as pages 036622 to 036626.

AUTHORITY: The Secretary of Commerce is empowered by statutory authority to adopt regulations to aid in the implementation of Commonwealth laws, 1 CMC §2453 (Department of Commerce duties and responsibilities); §2454(d) (authority to adopt required regulations); §9101-9115 (Administrative Procedure Act).

MODIFICATION FROM PROPOSED REGULATIONS: None

EFFECTIVE DATE: These regulations will become effective ten days after this publication in the Commonwealth Register.

COMMENTS AND AGENCY CONCISE STATEMENT: Pursuant to the Administrative Procedure Act, the Department of Commerce has considered fully all written and oral submissions concerning the proposed regulations. Upon adoption of the regulations, Commerce, if requested to do so by an interested person, either prior to adoption or within thirty days thereafter, will issue a concise statement of the principal reasons for and against its adoption, incorporating therein its reasons for overruling the considerations urged against its adoption.

ATTORNEY GENERAL APPROVAL: These regulations were approved for promulgation by the Attorney General in the above cited pages of the Commonwealth Register pursuant to 1 CMC §2153.

CERTIFICATION: I, Mark Rabauliman, Secretary of the Department of Commerce, hereby approved these regulations, and certify that the regulations published in Volume 37, Number 06 of the Commonwealth Register at pages 036622 to 036626 are a true and correct copy of the regulations.

Submitted by: Mark A. Rabauliman 7/31/15
Mark Rabauliman, Secretary of Commerce Date

Filed and Recorded by: Esther SN. Nesbitt 09.25.2015
Esther SN. Nesbitt, Commonwealth Register Date



TINIAN CASINO GAMING CONTROL COMMISSION

Municipality of Tinian and Aguiguan
Commonwealth of the Northern Mariana Islands



Mathew C. Masga
Chairman

Bernadita C. Palacios
Vice Chairwoman

Lydia F. Barcinas
Member

Patrick H. San Nicolas
Member

Esther H. Barr
Member

Lucia L. Blanco-Maratita, Esq.
Executive Director
TinianGamingED@gmail.com

Rosemond Blanco Santos
Legal Counsel

PUBLIC NOTICE OF INTENT TO AMEND THE RULES AND REGULATIONS OF THE TINIAN CASINO GAMING CONTROL COMMISSION TO CREATE AN INVESTIGATIVE FEE DEPOSIT TRUST ACCOUNT

PROPOSED RULES AND REGULATIONS: The Tinian Casino Gaming Control Commission (TCGCC) finds that:

INTENDED ACTION TO ADOPT AMENDMENTS TO THE PROPOSED RULES AND REGULATIONS: The Tinian Casino Gaming Control Commission intends to adopt as permanent regulations the attached Proposed Regulations, pursuant to the procedures of the Administrative Procedures Act, 1 CMC § 9104(a). The Regulations would become effective ten (10) days after adoption and publication in the Commonwealth Register. (1 CMC § 9104(b))

AUTHORITY: The proposed TCGCC Regulations are promulgated pursuant to the Commission's authority as provided by Part II Section 5(8)c of the Revised Casino Gaming Control Act of 1989 to establish regulations and the CNMI Administrative Procedures Act.

THE TERMS AND SUBSTANCE: The proposed amendments to the regulations set forth Rules and Regulations to create an Investigative Fee Deposit Trust Account in accordance with the Revised Casino Gaming Control Act of 1989.

THE SUBJECTS AND ISSUES INVOLVED: The Proposed Regulations sets forth the regulations and procedures to create an Investigative Fee Deposit Trust Account.

DIRECTIONS FOR FILING AND PUBLICATION: These Proposed Rules and Regulations shall be published in the Commonwealth Register in the section on proposed regulations and newly adopted regulations. 1 CMC § 9102(a)(1) and posted in convenient places in the Mayor's Office and in local government offices in each senatorial district, both in English and in the principal vernacular. 1 CMC § 9104(a)(1)

TO PROVIDE COMMENTS: Send or deliver your comments to Mr. Mathew C. Masga, Chairman of the Tinian Casino Gaming Control Commission by mail to P.O. Box 500143, Tinian, MP 96952, or by personal delivery to the office, or via fax to (670)433-9290 with the subject line: "Investigative Fee Deposit Trust Account" within (3) calendar days from the date of the publication in the Commonwealth Register. (1 CMC § 9104(a)(2))

These regulations were approved by The Tinian Casino Gaming Control Commission on May 28, 2015.


Submitted by:  8/4/15
Mathew C. Masga
Chairman
The Tinian Casino Gaming Control Commission
Date

(Received by:  8/14/15
Esther S. Fleming
Special Asst for Administration)
Date

Filed and Recorded by:  09-28-2015
ESTHER SN. NESBITT
Commonwealth Registrar
Date

Pursuant to 1 CMC § 2153(e) (AG approval of regulations to be promulgated as to form) and 1 CMC § 9104(a)(3) (obtain AG approval) the proposed regulations hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published (1 CMC § 2153(f) (publication of rules and regulations)).

Dated the 28th day of September, 2015.


EDWARD MANIBUSAN
Attorney General

TINIAN CASINO GAMING CONTROL COMMISSION

**Munisipódol Tchiliyól me Ayúúwal
Commonwealth of the Northern Mariana Islands**

**ARONGORONG NGÁLIIR TOWLAP MEETA EBWE
LIWEL ME LÓLL AWEWEEL ALLÉGH ME LÓLL TINIAN
CASINO GAMING CONTROL COMMISSION BWE
REBWE AYOORATÁ INVESTIGATIVE FEE DEPOSIT
TRUST ACCOUNT**

FÉÉRÚL ALLÉGH ME AWEWE: Schóól Tinian Casino Gaming Control Commission (TCGCC) e schuungi bwe:

FÉÉRÚL AWEWEEL REBWE ADÓPTÁLI LIWEL KKA LÓLL FÉÉRÚL ALLÉGH ME AWEWE: Schóól Tinian Casino Gaming Control Commission re fééri rebwe adóptáli ngare schéshéél aweewe iye e appasch ngáli Proposed Regulations (Féérúl Allégh me Aweewe), sáangi mille rebwe atabwey me reel Administrative Procedures, 1 CMC § 9104(a). Allégh yel nge ebwe bweletá lóll seigh (10) ral mwuril yaar amwóláatiw me ischitiw lóll Commonwealth Register. (1 CMC § 9104(b))

AUTHORITY (LEMELEM): Aweewel féérúl TCGCC Regulations nge rebwe affataaló me atabwey sáangi Commission's authority iye e lo lóll Part II Section 5(8)c of the Revised Casino Gaming Control Act of 1989 bwe ebwe ayoora aweewe me bwal CNMI Administrative Procedures Act.

AFFAT ME NGÚLÚWAL: Aweewel féérúl milikka rebwe liwelililló me lóll aweewe kka aa fasúl yoor me lóll Rules and Regulations bwe re bwe ayooratá Investigative Fee Deposit Trust Account sáangi Revised Casino Gaming Control Act of 1989.

MILLE EBWE YOOR REEL ME MEETA AWEWEEL EBWE YOOR: Mille Proposed Regulations iye re bwe ayoora-tá yal allégh me féérúl aweewe nge re bwe ayoora Investigative Fee Deposit Trust Account.

DIREKSION YAL FAIYEWLI ME ARONGORONG: Alongal Proposed Rules and Regulations (Allégh me Aweewe) nge re bwe ischiilong lóll Commowalth Register me lóll sóbwol aweewe kkewe re láál fééri alléghúl. 1 CMC § 9102(a)(1) me rebwe apaschátá lóll yaal Mayor's Office (bwulasiyol Meya) me lóll alongal bwulasiyol gobietno lóll alongal senatorial district reel English me schéshéél mwáliyeer aramasal falúw. 1 CMC § 9104(a)(1)

ATOTOLONG MÁNGÁMÁNG: Afanga me ngare bwughiiló yóómw atotolong mángámáng ngáli Mr. Mathew C. Masga, Chairman of the Tinian Casino Gaming Control Commission reel yaal P.O. Box 500143, Tinian, MP 96952, me ngare yeel ubwe lo lóll yaal bwulasio, me ngare fax ngáli reel (670)433-9290 me bwal ischiitiw reel yal róóza: "Investigative Fee Deposit Trust Account" lóll (3) ráálil kalendório sáangi igha re ischiitiw lóll Commonwealth Register. 1 CMC § 9104(a)(2)
Allégh kkal nge e mwuri sáangi me re aprebáli me reer Tinian Casino Gaming Control Commission wóól May 28, 2015.

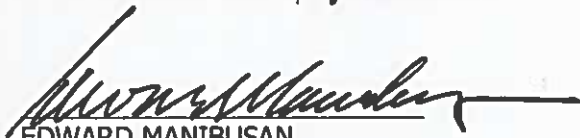
Sáangi me reel:  8/6/15
Mathew C. Masga
Chairman
The Tinian Casino Gaming Control Commission

Ebwughi me reel:  8/14/15
Esther S. Flerjing
(Special Asst for Administration)

Faiyewli me Rekotli
Me reel:  09.28.2015
ESTHER SN. NESBITT
Commonwealth Registrar

Sáangi reel 1 CMC § 2153(e) (yaal AG aprebáli aweewe me re bwe féeri me re bwe fotmai) me 1 CMC § 9104(a)(3) (ngare AG e aprebáli) féerúl aweewe iye ra arághi me aprebáli reel fotmal me e weleeti sáangi me reel CNMI Attorney General me ebwal lo lóll (1 CMC § 2153(f) (publication of rules and regulations)).

Lóll ráilil 28th ráil ngáli September, 2015.


EDWARD MANIBUSAN
Attorney General

TINIAN CASINO GAMING CONTROL COMMISSION

Munisipalidad Tinian yan Aguiguan
Commonwealth gi Sangkattan na Islas Marianas

NUTISIAN PUBLIKU PUT INTENSION NI PARA U MA'AMENDA I AREKLAMENTU YAN REGULASION SIHA GI TINIAN CASINO GAMING CONTROL COMMISSION NA PARA U MACHO'GUI I INVESTIGATIVE FEE DEPOSIT TRUST ACCOUNT

MANMAPROPONI NA AREKLAMENTU YAN REGULASION SIHA: I Tinian Casino Gaming Control Commission (TCGCC) ha sodda' na:

I MA'INTENSIONA NA AKSION NA PARA U MA'ADAPTA I AMENDASION SIHA PARA I MANMAPROPONI NA AREKLAMENTU YAN REGULASION SIHA: I Tinian Casino Gaming Control Commission ha intensiona para u adapta kumu petmanienti na regulasion siha ni maflechettun i Manmaproponi na Regulasion siha, sigun gi manera siha gi Aktun Administrative Procedures gi 1 CMC § 9104(a). I Regulasion siha para u ifektibu gi halum i dies(10) dihas dispues di adaptasion yan publikasion gi halum i Rehistran Commonwealth. (1 CMC § 9104(b))

ATURIDAT: I manmaproponi na Regulasion siha ni TCGCC manmacho'gui sigun gi aturidat i Commission kumu mapribeniyi ni Patti II Seksiona 5(8)c gi maribisa na Casino Gaming Control na aktu gi 1989 para u estaplesi i regulasion siha yan i Aktun Administrative Procedures.


I TEMA YAN I SUSTANSIAN I PALABRA SIHA: I manmaproponi na amendasion siha mana'guaha Areklamentu yan Regulasion siha para u macho'gui i Investigative Fee Deposit Trust Account gi sigun i Aktu gi 1989 i Revised Casino Gaming Control.

SUHETU NI MASUMARIA YAN ASUNTU NI TINEKKA: I Manproponi na Regulasion siha mana'guaha regulasion yan manera siha ni para u macho'gui i Investigative Fee Deposit Trust Account.


DIREKSION PARA U MAPO'LU YAN MAPUBLIKA: Esti i Manmaproponi na Areklamentu yan Regulasion siha debi na u mapublika gi halum Commonwealth gi seksiona gi manmaproponi na regulasion siha yan nuebu na ma'adapta na regulasion siha. 1 CMC § 9102(a)(1) yan mapega gi halum i mangkumbinienti na lugat siha gi Ufisia i Mayot yan gi halum ufisinan gubietnamentu siha gi kada distritun senadot, parehu English yan gi dos lingguahin natibu. 1 CMC § 9104(a)(1)

PARA U MAPRIBENIYI UPIÑON SIHA: Na'hãnao pat intrega i upiñon-mu guatu gi as Siñot Mathew C. Masga, Kabesiyun i Tinian Casino Gaming Control Commission gi mail gi P.O. Box 500143, Tinian, MP 96952, pat intrega petsonatmienti guatu gi ufisina, pat via fax (670)433-9290 gi rãyan suhetu gi: "Investigative Fee Deposit Trust Account" gi halum trenta(30)dahas gi kalendãriu ginin i fetchan publikasion gi halum i Rehistran Commonwealth. (1 CMC § 9104(a)(2))

Esti na regulasion siha maninapueba ni Tinian Casino Gaming Control Commission gi Mâyü 28, 2015.

Nina'hålum as: 
Mathew C. Masga
Kabesiyu
Tinian Casino Gaming Control Commission

8/6/15
Fetcha

Rinisibi as: 
Esther S. Fleming
Espisiât Na Ayudânti Para I Atministrasion

8/14/15
Fetcha

Pine'lu yan
Ninota as: 
ESTHER SN. NESBITT
Rehistran Commonwealth

9.28.2015
Fetcha

Sigun i 1 CMC § 2153(e) (Inapueban Abugâdu Henerât na i regulasion siha para u macho'gui kumu fotma) yan 1 CMC § 9104(a)(3) (inahentan inapueban Abugâdu Henerât) i manmaproponi na guini ni manmaribisa yan manma'apueba kumu fotma yan sufisienti ligât ginin i CNMI Abugâdu Henerât yan debi u mapublika, 1 CMC § 2153(f) (publikasion areklamentouyan regulasion siha)).

Mafetcha gi diha 28th, di September, 2015.


EDWARD MANIBUSAN
Abugâdu Henerât

**PROPOSED AMENDMENTS TO § 170-30.2-815(c) OF THE RULES AND REGULATIONS
ESTABLISHING AN INVESTIGATIVE FEE DEPOSIT TRUST ACCOUNT:**

§ 170-30.2-815 Payment of Fees and Deposits

(c) All fees payable under this part shall be paid by check or money order made payable to the "Tinian Municipal Treasurer" and presented to the Commission at its offices. No check so presented shall be deemed payment until the Commission shall be satisfied that sufficient funds are contained in the account against which it is drawn. All licensing cost deposits shall be made payable to the "Tinian Casino Gaming Control Commission and presented to the Commission which shall be deposited into a trust account designated solely for investigative work." All casino license application fees and licensing cost deposits shall be payable only by cashier's check, certified check, or money order.

(d) All investigative fees shall be paid by certified check only, and shall be made out to the TINIAN CASINO GAMING CONTROL COMMISSION. Investigative fees collected by the Commission from license applicants shall be deposited into the Trust account. Funds from the Trust Account must be transferred to the Checking Account when an itemized billing statement for costs associated with investigative services has been submitted to the Commission. Funds from the checking account shall be expended only for fees and expenses relating to the investigation of an application of suitability for a casino gaming licensee, corporate qualifier, casino key employee, or other license. Expenses relating to an investigation includes but is not limited to attorney fees, accountant fees, administrative expenses, investigative agencies, and other professional services which are incurred by the Executive Director or the Commission and which relate to a determination of the applicant's suitability to obtain or retain a license required under the Tinian Gaming Act.

1. The Commission must open a trust account and checking account at a bank located within Tinian and is a member of the FDIC.
2. The trust account name must be "The TCGCC Investigative Fee Trust Account" and the checking account name must be "The TCGCC Investigative Fee Checking Account".
3. There must be two signatures on the trust account and checking account:
 - i. The Chairman; and
 - ii. The Executive Director.
 - iii. The Vice Chairman shall be an alternative should the Chairman be unavailable.
4. The TCGCC Fiscal Affairs Officer must keep an INVESTIGATIVE FEE PAYMENT LOG BOOK for the purpose of record keeping and accounting of all checks received by the TCGCC as payment for investigative services.
5. The TCGCC Fiscal Affairs Officer must issue a receipt upon receiving payment.
6. The TCGCC Fiscal Affairs Officer must immediately transmit the payment and a copy of the receipt to the TCGCC Accountant.
7. The TCGCC Accountant must keep an INVESTIGATIVE FEE DEPOSIT LOG BOOK.
8. The TCGCC Accountant must deposit all investigative fee payments into the trust account within 24 hours.
9. The TCGCC Accountant must make deposits into the checking account when payment(s) for investigative services must be issued.
10. The TCGCC Accountant must prepare all checks for signature by the Chairman and the Executive to be accompanied with a corresponding billing statement for payment of investigative services rendered.
11. The Fiscal Affairs Officer and Accountant, respectively, must prepare a quarterly financial report and an annual financial report for the Commission's review.



Commonwealth Healthcare Corporation

Commonwealth of the Northern Mariana Islands

1 Lower Navy Hill Road Navy Hill, Saipan, MP 96950



Commonwealth of the Northern Mariana Islands Commonwealth Healthcare Corporation

PUBLIC NOTICE OF PROPOSED PROCUREMENT REGULATIONS FOR THE COMMONWEALTH HEALTHCARE CORPORATION

INTENDED ACTION TO ADOPT THESE PROPOSED REGULATIONS: The Commonwealth of the Northern Mariana Islands, Commonwealth Healthcare Corporation intends to adopt as permanent regulations the attached Proposed Regulations, pursuant to the procedures of the Administrative Procedure Act, 1 CMC § 9104(a). The Regulations will become effective 10 days after adoption and publication in the Commonwealth Register. (1 CMC § 9105(b))

AUTHORITY: The Chief Executive Officer Commonwealth Healthcare Corporation is authorized to adopt these regulations pursuant to Public Law 16-51 §2804(g), codified at 3 CMC Section 2824(g).

THE TERMS AND SUBSTANCE: The Regulations permit the Commonwealth Healthcare Corporation to do its own procurement in order to address meeting the needs for all goods and services, and particularly medical equipment, devices, and supplies, of a geographically remote hospital held to providing US standards level of care; that is, requiring specialized supplies and equipment to be delivered in a timely manner to all three of the CHCC facilities on the islands of Saipan, Tinian, and Rota and to allow the Commonwealth Healthcare Corporation to provide constant health education on preventative health care;


THE SUBJECTS AND ISSUES INVOLVED: These regulations address aspects of CHCC procurement and will enable the hospital and its attendant divisions to more quickly react to their changing needs, meet federal grant deadlines, and operate more efficiently and effectively.

DIRECTIONS FOR FILING AND PUBLICATION: These Proposed Regulations shall be published in the Commonwealth Register in the section on proposed and newly adopted regulations (1 CMC § 9102(a)(1)) and posted in convenient places in the civic

center and in local government offices in each senatorial district, both in English and in the principal vernacular. (1 CMC § 9104(a)(1))

TO PROVIDE COMMENTS: Send or deliver your comments to Esther Muna, CEO, at the above address, or email her at esther.muna@dph.gov.mp, with the subject line "New CHCC Procurement Regulations". Comments are due within 30 days from the date of publication of this notice. (1 CMC § 9104(a)(2))

These proposed regulations were approved by the CEO on 15th of September, 2015.

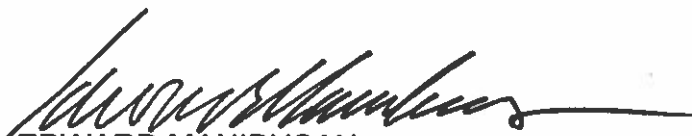
Submitted by: 
ESTHER L. MUNA
Chief Executive Officer, CHCC
Date: 09/15/15

Received by: 
ESTHER S. FLEMING
Governor's Special Assistant for Administration
Date: 9/16/15

Filed and Recorded by: 
ESTHER S.N. NESBITT
Commonwealth Register
Date: 9.28.15

Pursuant to 1 CMC § 2153(e) (AG approval of regulations to be promulgated as to form) and 1 CMC § 9104(a)(3) (obtain AG approval) the proposed regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published, 1 CMC § 2153(f) (publication of rules and regulations).

Dated the 28 day of September, 2015.


EDWARD MANIBUSAN
Attorney General

P.O. Box 500409 CK, Saipan, MP 96950
Telephone: (670) 234-8950 FAX: (670) 236-8930

Commonwealth gi Sangkattan na Islas Marianas
Commonwealth Healthcare Corporation

**NUTISIAN PUBLIKU PUT I MANMAPROPONI NA PROCUREMENT REGULATIONS PARA I
COMMONWEALTH HEALTHCARE CORPORATION**

I MA'INTENSIONA NA AKSION PARA U MA'ADAPTA ESTI I MANMAPROPONI NA REGULASION SIHA: I Commonwealth gi Sangkattan na Islas Marianas, Commonwealth Healthcare Corporation, ha intensiona para u adapta kumu petmanienti na regulasion siha ni mañechettun i Manmaproponi na Regulasion siha, sigun i manera siha para i Aktun Administrative Procedure, 1 CMC § 9104(a). I Regulasion siha para u ifektibu gi halum dies(10)dihis dispues di adaptasion yan publikasion gi halum i Rehistran Commonwealth.

ATURIDAT: I Chief Executive Officer Commonwealth Healthcare Corporation ma'aturisa para u adapta esti na regulasion siha sigun gi Lai Publiku 16-51 § 2804(g), ni makodigu gi 3 CMC Seksiona 2824(g).

I TEMA YAN SUSTANSIAN I PALABRA SIHA: I Regulasion siha ha petmiti i Commonwealth Healthcare Corporation para u cho'gui iyon-ña procurement gi anai siña ha address ni para u kumpli i nisisdât gi todû goods yan sitbisiu siha, yan pattikulâtmienti i medical equipment, devices, yan supplies, gi geographically remote hospital ni manâ'i para u pribeninyi ni US standards level care; ni atyu, ni dinimâmanda na specialized supplies yan equipment ni para u ma'intrega gi propiu na manera para todû i tres na fasilidât CHCC siha gi islan Sa'ipan, Tini'an, yan Luta yan para u sedi i Commonwealth Healthcare Corporation ni para u pribeniyi sessu na edukasion hinemlu' gi inadahin healthcare;

I SUHETU YAN MANERA SIHA NI MANTINEKKA: Esti na regulasion siha ha address pattikulâtmienti i CHCC procurement yan para u sedi i espitât yan its attendant divisions para mâs chaddik chumo'gui i tinilalaika na nisisdât siha, u meet i federal grant deadlines, yan u operate mâs efficiently yan effectively.

DIREKSION PARA U MAPO'LU YAN I PUBLIKASION: Esti i Manmaproponi na Regulasion siha debi na u mapublika gi halum i Rehistran Commonwealth gi halum i seksiona gi maproponi yan nuebu na ma'adapta na regulasion siha gi (1 CMC § 9102(a)(1) yan u mapega gi halum i mangkumbinienti na lugât siha gi halum i civic center yan gi halum ufisinan gubietnamentu siha gi kada distritun senadot, parehu English yan i dos linguâhin natibu. (1 CMCC § 9104(a)(1))

PARA MAPRIBENIYI UPIÑON SIHA: Na'hânâo pat intrega i upiñon-mu siha guatu gi as Esther Muna, CEO, gi sanhilu' na address, pat email gui' gi esther.muna@dph.gov.mp yan gi masuhetu na râya "Nuebu na CHCC Procurement Regulations". Upiñon siha debi na u fanhâlum gi halum trenta(30)dihis ginin i fetchan publikasion esti na nutisia. (1 CMCC § 9104(a)(2))

Esti i manmaproponi na regulasion siha manma'aprueba ni CEO gi diha 15 di Septembre, 2015.

Nina'hålum as:


ESTHER L. MUNA
Chief Executive Officer, CHCC

09/15/15
Fetcha

Rinisibi as:


ESTHER S. FLEMING
Espisiât Na Ayudânti Para I Atministrasion Gubietnu

9/16/15
Fetcha


Pine'lu Yan
Ninota as:


ESTHER S. NESBITT
Rehistran Commonwealth

9.28.15
Fetcha

Sigun i 1 CMC § 2153(e) (Inaprueban Abugâdu Henerât na regulasion ni para u macho'gui kumu fotma) yan 1 CMC § 9104(a)(3)hinentan inaprueban Abugâdu Henerât) i maproponi na regulasion siha ni mañechettun guini ni manmaribisa yan manma'aprueba kumu fotma yan suficienti ligât ginin i CNMI Abugâdu Henerât yan debi na u mapublika, 1 CMC § 2153(f) (publikasion areklamentu yan regulasion siha).

Mafetcha gi diha 28 di Septembre, 2015.


EDWARD MANIBUSAN
Attorney General



Commonwealth Healthcare Corporation

Commonwealth of the Northern Mariana Islands
1 Lower Navy Hill Road Navy Hill, Saipan, MP 96950



Commonwealth of the Northern Mariana Islands Commonwealth Healthcare Corporation

ARONGORONGOL TOW LAP REEL PROCUREMENT EBWE FÉÉRI ALLÉGHÚL AWEWE REEL COMMONWEALTH HEALTH CARE CORPORATION

MWÓGHUTUL IYE EBWE FÉÉRI NGE EBWE ADÓPTÁLI ALLÉGHÚL AWEWE: Reel Commonwealth of the Northern Mariana Islands, Commonwealth Healthcare Corporation ekke fééri mille ebwe adóptáli alléghúl aweewe iye e appasch ngáli Proposed Regulations, sáangi allégh kka Administrative Procedure Act, 1 CMC § 9104(a). Alléghúl Regulations nge ebwe bweletá lóll 10 ráál takkal yaar adóptáli me re issóllong lóll Commonwealth Register. (1 CMC § 9105(b))

ATORIDÓD: Chief Executive Officer Commonwealth Healthcare Corporation mille e atoridód ebwe adóptáli aweewe regulations ngáli Public Law 16-51 §2804(g), sáangi 3 CMC Section 2824(g).

IYA TOOL ME AFFATAL:: Yaal Regulations permit nge Commonwealth Healthcare Corporation nge ii schagh ebwe fééri yaal procurement bwe ebwe bwughil me ebwe ayoora mille esóór me ebwe setbiy me alongal peirághil medical equipment, mwókina, supplies ngáli wóol sóobwol hospitód kka akkáv me ebwe attabweey US standards level manner ngáli alongal me iluw hospitódul Saipan, Tinian, Rota me ebwe ngalley Commonwealth Healthcare Corporation ebwe ayoora ghal arongorong me areepiy ngaliir towlap reel mille re sóbw semwaay reel.

ÓWTOL AWEWE ME MEETA EYOOR: Alongal regulations rebwe fééri nge reel CHCC procurement emmwel bwe hospitód me sóbwsóbwol rebwe mwóghutukkái reel meeta rebwe bwughi me yááli bwe e nesesório me ebwe attabweey federal grant yaal deadlines, me rebwe alléghúw yaar mwóghut bwe ebwe bwung.

IYA REBWE AMWÉLALÓ IYE ME ARONGORONG Proposed Regulations kkal nge rebwe atoolongol lóll Commonwealth Register lóll section iye re propose me milla eféétá me re bwal adóptáli alléghúl (1 CMC § 9102(a)(1)) bwe rebwe apascháátá arongorong igha towlap me bwulasiyol gobietno me lóll kada senatorial district, reel kapasal mwaliyer schóól falúw me English. (1 CMC § 9104(a)(1))

P.O. Box 500409 CK, Saipan, MP 96950
Telephone: (670) 234-8950 FAX: (670) 236-8930

ISIISILONG AWEEWE: Afanga me bwughiló yóómw meeta ubwe ira me mángámáng reel Esther Muna, CEO, me email ngali rel: esther.muna@dph.gov.mp rel subject line nge 'New CHCC Procurement Regulations'. Milikaal nge eghal due lóll 30 ráál sáangi igha re atowowu ngaliir towlap. (1 CMC § 9104(a)(2))

Proposed regulations kkaal nge re aprebáli sáangi CEO wóol. _____ Septiembre, 2015

Etooto me reel:  9-28-2015
Margarita Torres-Aldan Ráál
Acting Chief Executive Officer, CHCC

Marasibiili:  9/26/15
ESTHER S. FLEMING Ráál
Governor's Special Assistant for Administration

Atolongey
Lóll Recording:  9.25.15
ESTHER SN. NESBITT Ráál
Commonwealth Register

Sáangi reel 1 CMC § 2153(e) (AG aprebáli alléghul bwe rebwe féeri form) me 1 CMC § 9104(a)(3) (yal AG apreba) rel proposed regulation kka e appasch a areghil me aprebáli rel yal wel me aweewe me lóll CNMI Attorney General reel towlap re bwe reepiya li, 1 CMC § 2153(f) (publication of rules and regulations).

Atol me 28 ráál Septermbwe, 2015.


EDWARD MANIBUSAN
Attorney General

P.O. Box 500409 CK, Saipan, MP 96950
Telephone: (670) 234-8950 FAX: (670) 236-8930



COMMONWEALTH CASINO COMMISSION

Commonwealth of the Northern Mariana Islands

P.O. Box 500237

Saipan, MP 96950

Tel: 1 (670) 233-1856/57

Email: commonwealthcasinocommission@gmail.com



PUBLIC NOTICE OF ADOPTION OF PROPOSED RULES AND REGULATIONS FOR THE COMMONWEALTH CASINO COMMISSION

INTENDED ACTION TO ADOPT THESE PROPOSED RULES AND REGULATIONS: The Commonwealth of the Northern Mariana Islands, Commonwealth Casino Commission ("Commission") intends to adopt as permanent regulations the attached Proposed Regulations, pursuant to the procedures of the Administrative Procedure Act, 1 CMC § 9104(a). The Regulations would become effective 10 days after adoption and publication in the Commonwealth Register. (1 CMC § 9105(b))

AUTHORITY: The Commission has the authority to adopt Rules and Regulations in furtherance of its duties and responsibilities pursuant to Section 2314 of Public Law 18-56.

THE TERMS AND SUBSTANCE: The attached Rules and Regulations govern and regulate the Casino Gaming Industry on Saipan. These Rules and Regulations will be supplemented in the coming months.

THE SUBJECTS AND ISSUES INVOLVED: These rules and regulations:


1. Establish the gaming application and licensing process for employees and service providers and procedures and set the Fee Schedules for the gaming industry licenses.
2. Establish licensing qualifications and various procedures for filing applications and petitions.
3. Govern the use of chips and tokens and the operation.
4. Create accounting procedures and standards.
5. Create standards for excluded and excludable persons.
6. Create standards for the operation of gaming pursuant to PL 18-56.
7. Provide for the enrollment of attorneys and accountants.

ADOPTION OF EMERGENCY REGULATIONS FOR 120 DAYS: The Commission has followed the procedures of 1 CMC § 9104(b) and (c) to adopt these Proposed Regulations on an emergency basis for 120 days. The Acting Governor signed the emergency regulations on or about **July 28, 2015**. The emergency regulations are now in effect.

DIRECTIONS FOR FILING AND PUBLICATION: These Proposed Regulations shall be published in the Commonwealth Register in the section on proposed and newly adopted regulations (1 CMC § 9102(a)(1)) and posted in convenient places in the civic center and in local government offices in each senatorial district, both in English and in the principal vernacular. (1 CMC § 9104(a)(1)).

TO PROVIDE COMMENTS: Send or deliver your comments to Commonwealth Casino Commission, *Attn: New Casino Commission Rules and Regulations*, at the above address, fax or email address, with the subject line "New Casino Commission Rules and Regulations". Comments are due within 30 days from the date of publication of this notice. Please submit your comments, data, views or arguments. (1 CMC § 9104(a)(2))

The Commonwealth Casino Commission approved the attached Regulations on July 24, 2015.

Submitted by: 
JUAN M. SABLÁN
Chairman of the Commission

August 27, 2015
Date

Concurred by: 
Honorable ELOY S. INOS
Governor

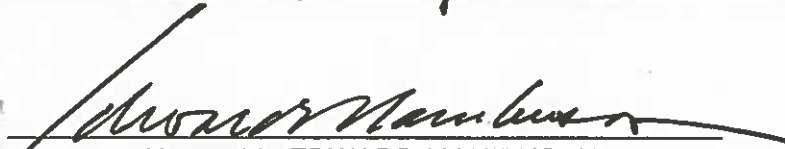
08 SEP 2015
Date

Filed and Recorded by: 
ESTHER SN NESBITT
Commonwealth Register

09.14.2015
Date

Pursuant to 1 CMC § 2153(e) and 1 CMC § 9104(a)(3), the proposed Rules and Regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published, 1 CMC § 2153(f).

Dated the 21ST day of September, 2015.


Honorable EDWARD MANIBUSAN
Attorney General



COMMONWEALTH CASINO COMMISSION

Commonwealth of the Northern Mariana Islands

P.O. Box 500237

Saipan, MP 96950

Tel: 1 (670) 233-1856/57

Email: commonwealthcasinocommission@gmail.com



ARONGORONGOL TOULAP REL RE BWE ADAPTÁALI FILÓÓL POMMWOL ALLÉGH ME MWÓGHUTÚGHUTÚL REL COMMONWEALTH CASINO COMMISSION

POMMWOL MWÓGHUTÚGHÚT REL RE BWE ADAPTÁALI FILÓÓL ALLÉGH ME MWÓGHUTÚGHÚT: Sángi Commonwealth rel Téel Falúw kka Efáng, Commonwealth Casino Commission, ("Commission") re mengemángil re bwe adaptáali bwe e bwe llégh ló bwe alléghúl ikka e appaschlong bwe Proposed Regulations, sángi mwóghutúghútúl Administrative Procedure Act, 1 CMC § 9104(a). E bwe bwuung ló mwóghutúghútúl lól seigh (10) rál mwiriil yaar adaptáali me arongowoowul me rel Commonwealth Register. (1 CMC § 9105(b))

BWÁNGIL: E yoor bwáángil Commission bwe re bwe adaptáali allégh me mwóghutúghútúl me aweewel rel yaal angaang me mwóghutúghút sángi Section 2134 rel Public Law 18-56.

KKAPASAL ME AWEEWEL: Allégh me mwóghutúghút kka e appaschlong nge e lememelemil me mwóghutúghúl Casino Gaming Industry wól Seipel. Allégh me Mwóghutúghút kkaal nge e bwe aschuulong loll maram kka re mwemwetto.

KKAPASAL ME ÓUTOL: Allégh me mwóghutúghút kka:

1. E bwe fféer ngáli kkapasal mwoghutútúl gaming application me licensing reer employees me service providers me re bwe fféeritiw Fee Schedule ngáliir gaming industry licenses.
2. E bwe fféé licensing qualification me various procedures rel iissisilongol application me petition.
3. E bwe lemeli yááyál chips me tokens.
4. E bwe fféeri ngáli accounting procedures me standards.
5. E bwe fféeri ngáli standards reer aramas kka re excluded me excludable.
6. E bwe fféer ngáli rel operating of gaming sángi PL 18-56.
7. Alillis rel enrollment reer difensoot me accounts.

IGHA RE BWE ADAPTÁALI EMERGENCY REGULATION LÓL 120 RÁLL: Commission e attabweey mwóghutúghútúl 1 CMC § 9104(b) me (c) bwe re bwe adaptáali millikka e weewe bwe pommwo mwóghutúghút ghal óttol Emergency lól 120 ráll. Samwool Lap a ttakkal fitmáali Emergency Regulation wól Hulio 28, 2015. A bwung Emergency regulations.

AFALAFAL REL IISISILONGOL ME ARONGOWOWUL: E bwe arongowoow pommol Allégh me Mwóghutúghút me rel Commonwealth Register leyil tánil rel pommol mwóghutúghút me millikka re adaptáali iye re ffé bwe mwóghutúghút, (1 CMC § 9102(a)(1)) me re appasch tá lól bwuleey kka e ffil rel civic center, me Bwulasiyol Gobetnaneento lól senatorial districts, rel kkasal English, Remaraalis me Refaluwasch. 1 CMC § 9104(a)(1).

ATTOTOOLONGOL MÁNGEMÁNG: Afangalong ngáre bwughiló yóomw iischil mángemáng, me kkapasal rel Commonwealth Casino Commission, *Attr: New Casino Gaming Rules and Regulations*, rel address kka e iisch weiláng nge e bwe llo wól Subject line: "New Casino Commission Rules and Regulations". Isiisilongol mángemáng nge e llégh ló loll 30 ráll mwiiril arongowoowul. Atottolongol data, vies me angiigi (1 CMC § 9104(a)(2)).

Mwóghutúghút kka e appaschlong a llégh ló me Commonwealth Casino Commission wól ráll kka e tállitiw.

Isáliiyallong:




JUAN M. SABLAN
Chairman of the Commission

Hulio 24, 2015

Ráll

E Llégh ló sáangi:



Hon. ELOY S. INOS
Governor

08 DEC 2015

Ráll

File me Rekoodiyal:



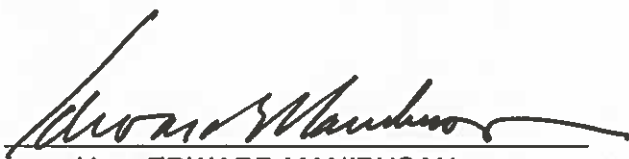
ESTHER SN. NESBITT
Commonwealth Register

09-14-2015

Ráll

Sáangi 1 CMC § 2153(e) me 1 CMC § 9104(a)(3) rel pomwol allégh ye re aschuulong bwe ra takkal amwuri fiischiy, me a llégh ló fféerúl me legal sufficiency sáangi CNMI Attorney General me e bwe le arongowoow, 1 CMC § 2153(f).

Wól ráll ye 21ST, Agustu, 2015.



Hon. EDWARD MANIBUSAN
SÓULEMIL ALLÉGH



COMMONWEALTH CASINO COMMISSION

Commonwealth of the Northern Mariana Islands

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NUTISIAN PUBLIKU PUT ADÁPTASION I MANMAPROPONI NA AREKLAMENTU YAN REGULASION SIHA PARA I COMMONWEALTH KUMISION HUEGUN SALÁPPI'

I MA'INTENSIPONA NA AKSION NI PARA U MA'ADÁPTA ESTI SIHA I MANMAPROPONI NA AREKLAMENTU YAN REGULASION SIHA: I Commonwealth Islas Notti Marianas, Commonwealth Kumision Huegun Saláppi' ("I Kumision") ha intensiona para u adápta kumu petmanienti na regulasion siha ni mañechettun i Manmaproponi na Regulasion, sigun gi manera siha gi Áktun "Administrative Procedures" gi 1 CMC § 9104(a). I regulasion siha para u ifektibu gi halum dies (10) dihas dispues di adáptasion yan publikasion gi halum i Rehistran Commonwealth. (1 CMC § 9104(b))

ÁTURIDÁT: I Kumision gai áturidát para u adápta i areklamentu yan i regulasion siha gi anai para u kumsigi i obligasion yan i responsabilidát siha sigun gi Seksiona 2314 gi Lai Publiku 18-56.

ITEMA YAN SUSTÁNSIAN I PALÁBRA SIHA: I mañechettun na Areklamentu yan Regulasion siha ni ha gubietna yan ha maneneha i "Casino Gaming Industry" giya Saipan. Esti siha na Areklamentu yan Regulasion siha siempri ninana'i gi mamamaila' na mes siha.

I SUHETU NI MASUMÁRIA YAN ASUNTU NI TINEKKA: Esti na Areklamentu yan Regulasion Siha:

1. U estapblisa i aplikasion huegu yan i ma'choguen ña i lisensia yan manera siha para i emple'áo, i taotao yan i kupania siha ni man ayuyuda yan man nana'i setbishu yan u mana'guaha siniñalan ápas siha para i industriyan huegun lisensia siha.
2. U estapblisa kualifikasion linisensia siha yan guaha manera siha para i pine'lun aplikasion yan pitision siha.
3. U gubietna i ma'usan i "chips" yan i "tokens".
4. U na'guaha "accounting procedures" yan "standards".
5. U na'guaha "standards" para i "excluded" yan "excludable" na petsona siha.
6. U na'guaha "standards" para i operasion i huegu sigun i Lai Publiku 18-56.
7. U pribeniyi para i "enrollment" abugáo siha yan "accountants".

ADÁPTASION I "EMERGENCY" NA REGULASION SIHA PARA I SIENTU BENTI (120) DIHAS: I Kumision ha tattiyi i manera siha gi 1 CMC § 9104(b) yan i (c) na para u adápta i parehu na Manmaproponi na Regulasion Siha gi i "emergency basis" para sientu benti (120) dihas. I Gubietnu ha fitma i "emergency" na regulasion siha gi Hulio 28, 2015. I "emergency" na regulasion siha esta pá'gu umifektibu.

DIREKSION PARA U MAPO'LU YAN MAPUBLIKA: Esti i Manmaproponi na Regulasion Siha debi na u mapublika gi hálum i Rehistran Commonwealth gi hálum i seksiona ni maproponi na regulasion siha yan nuebu na ma'adápta na regulasion siha (1 CMC § 9102(a)(1) yan u mapega gi hálum i mangkumbinienti na lugát siha gi Ufisanan Atkát di yan gi hálum ufisanan gubietnamentu siha gi hálum distritun senadot, parehu English yan i lingguahin natibu (1 CMC § 9104(a)(1)).

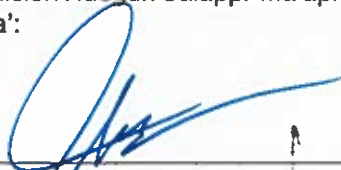
* Tel: (670) 233-1856/57

* Email: commonwealthcasinocommission@gmail.com

PARA U MAPRIBENIYI UPIÑON SIHA: Na'hánáo pat intrega i upiñon-mu guatu gi Commonwealth Kumision Huegun Saláppi', *Attn: New Casino Commission Rules and Regulations*, gi sanhitu' na addresses yan i ráyan suhetu "New Casino Commission Rules and Regulations". Todu upiñon debi na u fanhálum trenta (30) dihas ginin I fetchan publikasion esti na nutisia. Put fabot intrega i upiñon, informasion, pat kinentestan kinentra siha (1 CMC § 9104(a)(2)).

I Commonwealth Kumision Huegun Saláppi' ma'aprueba I mañechettun na Regulasion siha gi fetcha ni malista gi sampapa':

Nina' halum as:


JUAN M. SABLAN
Kabesiyun i Kumision

Hulio 24, 2015

Fetcha

Kinunfotmi as:


Hon. ELOY S. INOS
Gubietnu

08 SEP 2015

Fetcha

Pine'lu yan Ninota as:


ESTHER SN. NESBITT
Rehistran Commonwealth

09.14.2015

Fetcha

Sigun i 1 CMC § 2153€ yan u 1 CMC § 9104(a)(3), i manmaproponi na regulasion siha ni mañechettun guini ni manmaribisa yan manma'aprueba kumu fotma yan sufisienti ligát ginin I CNMI Abugádu Henerát yan debi na u mapublika, 1 CMC § 2153(f).

Mafetcha guini gi diha 21st, di Águstu 2015.


Hon. EDWARD MANIBUSAN
Abugádu Henerát

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS



COMMONWEALTH CASINO COMMISSION

RULES AND REGULATIONS



July 2015

TITLE 175
COMMONWEALTH CASINO COMMISSION

Chapter 175-10 Commonwealth Casino Commission
Subchapter 175-10.1 Commonwealth Casino Commission Rules and Regulations
Subchapter 175-10.2 Code of Ethics

CHAPTER 175-10
COMMONWEALTH CASINO COMMISSION

SUBCHAPTER 175-10.1
COMMONWEALTH CASINO COMMISSION RULES AND REGULATIONS

Part 001
ISSUANCE OF REGULATIONS;
CONSTRUCTION; DEFINITIONS

§175-10.1-001 Promulgation, amendment,
modification and repeal
§175-10.1-005 Construction
§175-10.1-010 Severability
§175-10.1-015 Preemption
§175-10.1-020 Practice where Regulations
Do Not Govern
§175-10.1-025 Suspension of Regulations
§175-10.1-030 Definitions, words and terms;
tense, number and gender
§175-10.1-035 Headings
§175-10.1-040 Definitions
§175-10.1-045 Further Definitions
§175-10.1-050 Further Definitions
§175-10.1-055 Further Definitions

Part 100
COMMONWEALTH CASINO COMMISSION:
ORGANIZATION AND ADMINISTRATION

§175-10.1-101 Commonwealth Casino
Commission
§175-10.1-105 Powers and Duties
§175-10.1-110 Limitation on Powers
§175-10.1-115 Executive Director
§175-10.1-120 Delegation to chairman
§175-10.1-125 Commission Meetings
§175-10.1-130 Resolutions and Minutes
§175-10.1-135 Appearances
§175-10.1-140 Recessed meetings
§175-10.1-145 Investigative hearings
§175-10.1-150 Appointment of committees.
§175-10.1-155 Service of notices in general
§175-10.1-160 Subpoenas.
§175-10.1-165 Employment and termination
of Commission employees

§175-10.1-170 Procedure for control of
evidence and destruction of
cheating devices

Part 200
INFORMATION AND FILINGS

§ 175-10.1-201 Office Mailing Address and
Hours
§ 175-10.1-205 Official Records; Fees for
Copies
§ 175-10.1-210 Communications/ Notices
§ 175-10.1-215 Public Information Office
§ 175-10.1-220 Filing of Petitions and
Applications
§ 175-10.1-225 Petitions for Rulemaking

Part 300
LICENCING QUALIFICATIONS

§ 175-10.1-301 Casino License
§ 175-10.1-305 Casino Service Provider
Licenses
§ 175-10.1-310 Employee Licenses Generally
§ 175-10.1-315 Application for Employee
License
§ 175-10.1-320 Training Courses of Employees

Part 400
APPLICATION PROCEDURE

§ 175-10.1-401 Receipt
§ 175-10.1-405 Filing
§ 175-10.1-410 Processing
§175-10.1-415 Public Inspection of Information
§ 175-10.1-420 Amendment
§ 175-10.1-425 Withdrawal
§ 175-10.1-430 Reapplication by Natural
Person after Denial or
Revocation

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

Revocation

Part 500 ACCOUNTING

- § 175-10.1-501 Commission Divisions
- § 175-10.1-505 Commission Audit Procedures
- § 175-10.1-510 Procedure for reporting and paying gaming taxes and fees
- § 175-10.1-515 Accounting records
- § 175-10.1-520 On-line slot metering systems
- § 175-10.1-525 Records of ownership
- § 175-10.1-530 Record retention; noncompliance
- § 175-10.1-535 Audited financial statements
- § 175-10.1-540 Financial statements: Other Licensees
- § 175-10.1-545 Internal control for casino licensees
- § 175-10.1-550 Gross revenue computations
- § 175-10.1-555 Uncollected baccarat commissions
- § 175-10.1-560 Minimum Bankroll Requirements
- § 175-10.1-565 Treatment of credit for purposes of computing gross revenue
- § 175-10.1-570 Handling of cash
- § 175-10.1-575 Mandatory count procedure
- § 175-10.1-580 Petitions for redetermination; procedures
- § 175-10.1-585 Claims for refunds; procedures

Part 600 CASINO LICENSE

- § 175-10.1-601 Commission Authority over Casino License
- § 175-10.1-605 Term of The Casino License
- § 175-10.1-610 Annual License Fee
- § 175-10.1-615 Pre-payments of Annual License Fee
- § 175-10.1-620 Licensee Assurances
- § 175-10.1-625 Development sites
- § 175-10.1-630 Integrated Resort (Phase One)
- § 175-10.1-635 Initial Gaming Facility
- § 175-10.1-640 Development Requirements (Phase One)
- § 175-10.1-645 Development Proposal Requirements (Phase Two)
- § 175-10.1-650 Liquidated Damages
- § 175-10.1-655 Local Training and Hiring Requirement
- § 175-10.1-660 Requirement for Compliance with Applicable Laws
- § 175-10.1-665 Transfer Assignment or Encumbrance Prohibited
- § 175-10.1-670 License Suspension or

Part 700 CASINO FACILITIES

- § 175-10.1-701 Impact of the Facilities
- § 175-10.1-705 The Casino
- § 175-10.1-710 Duty to Maintain and Operate a Superior Quality Facility
- § 175-10.1-715 Mortgage and Assignment of Casino License, Etc.

Part 800 TEMPORARY LIVE TRAINING FACILITY

- § 175-10.1-801 Temporary Live Training Facility Authorized
- § 175-10.1-805 Applicability of Regulations
- § 175-10.1-810 Development Plan Requirements
- § 175-10.1-815 Cessation of Live Training Facility

Part 900 PERSONS REQUIRED TO BE QUALIFIED

- § 175-10.1-901 Casino Licenses
- § 175-10.1-905 Casino Service Industry Licenses
- § 175-10.1-910 Employee Licenses
- § 175-10.1-915 Scope
- § 175-10.1-920 Casino Employee Licensee Standards
- § 175-10.1-925 Licensee, certificate or permittee Standards (Child Support)

Part 1000 ENROLLMENT OF ATTORNEYS AND AGENTS

- § 175-10.1-1001 Eligibility to practice
- § 175-10.1-1005 Scope of Practice
- § 175-10.1-1010 Qualifications for enrollment
- § 175-10.1-1015 Procedures for enrollment
- § 175-10.1-1020 Enrollment for a particular matter
- § 175-10.1-1025 Roster of enrolled agents
- § 175-10.1-1030 Suspension and revocation of enrollment
- § 175-10.1-1035 Reinstatement
- § 175-10.1-1040 Proof of authority
- § 175-10.1-1045 Effect of representation
- § 175-10.1-1050 Obligations of truthfulness and diligence
- § 175-10.1-1055 Knowledge of client's omission
- § 175-10.1-1060 Certification of documents

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

§ 175-10.1-1065 Duty of enrollees concerning violations

§ 175-10.1-1070 Professional Conduct

**Part 1100
INFORMATION**

§ 175-10.1-1101 Affirmative Responsibility to Establish Qualifications

§ 175-10.1-1105 Duty to Disclose and Cooperate

§ 175-10.1-1110 Disposition of Property of a Casino Applicant or Licensee

§ 175-10.1-1115 Duty to Promptly Furnish Information

§ 175-10.1-1120 Inspection, Monitoring, and Periodic Investigations

§ 175-10.1-1125 Waiver of Liability for Disclosure of Information

§ 175-10.1-1130 Consent to Examination of Accounts and Records

§ 175-10.1-1135 Fingerprinting

§ 175-10.1-1140 Digital Photographs

§ 175-10.1-1145 Handwriting Exemplars

§ 175-10.1-1150 Oath of Affirmation and Attorney Certification

§ 175-10.1-1155 Untrue Information

§ 175-10.1-1160 Signatures

§ 175-10.1-1165 Form of Signature

§ 175-10.1-1175 Numbers of Copies

**Part 1200
FEES**

§ 175-10.1-1201 General Description of Fees and Deposit Policy

§ 175-10.1-1205 License Renewal General Provisions

§ 175-10.1-1210 Payment of Fees and Deposits

§ 175-10.1-1215 Special Fee Assessments for Other Purpose

§ 175-10.1-1220 No Proration of fees

§ 175-10.1-1225 Schedule of Fees

**Part 1300
CASINO SERVICE PROVIDERS**

§ 175-10.1-1301 Definitions

§ 175-10.1-1305 License Requirements

§ 175-10.1-1310 Standards for Qualifications

§ 175-10.1-1315 Disqualification Criteria

§ 175-10.1-1320 Application; Investigation; Supplementary Information

§ 175-10.1-1325 Renewal of Licenses

§ 175-10.1-1330 Record Keeping

§ 175-10.1-1335 Record of Gaming Equipment

Inventory

§ 175-10.1-1340 Equipment Testing Cost

§ 175-10.1-1345 Games of Chance

§ 175-10.1-1350 Hardware Requirements

§ 175-10.1-1355 Software Requirement

§ 175-10.1-1360 Cause for Suspension, Failure to Renew, or Revocation

§ 175-10.1-1365 Fees

§ 175-10.1-1370 Exemption

§ 175-10.1-1375 Casino Service Industry License

§ 175-10.1-1380 Master Vendors List

§ 175-10.1-1385 Provisional Casino Service Industry License

**Part 1400
HEARINGS: GENERAL PROVISIONS**

§ 175-10.1-1401 Definitions

§ 175-10.1-1405 Applicability of Rules

§ 175-10.1-1410 Conduct of Contested Case Hearings

§ 175-10.1-1415 Rules Concerning All Contested Cases

§ 175-10.1-1420 Rights to Hearing; Request; Written Notice

§ 175-10.1-1425 Procedure When No Hearing is Held

§ 175-10.1-1430 Burden of Proof

§ 175-10.1-1435 Approval and Denial of Applications

**Part 1500
RULES CONCERNING PROCEEDINGS
AGAINST APPLICANTS, LICENSEES, AND
REGISTRANTS**

§ 175-10.1-1501 Commencement of Complaint

§ 175-10.1-1505 Service of Complaint

§ 175-10.1-1510 Notice of Defense

§ 175-10.1-1515 Right to Hearing; Waiver

§ 175-10.1-1520 Notice of Hearing

§ 175-10.1-1525 Revocation of License or Registration; Hearing

**Part 1600
PETITIONS FOR DECLARATORY RULINGS**

§ 175-10.1-1601 Definitions

§ 175-10.1-1605 Purpose of Declaratory Judgments

§ 175-10.1-1610 Petitions for Declaratory Judgments

§ 175-10.1-1615 Scheduling of Petitions for Hearing

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

- § 175-10.1-1620 Response, Comments, Briefs, Appearances
- § 175-10.1-1625 Disposition of Petitions

Part 1700 HEARING ON REGULATIONS

- § 175-10.1-1701 Hearings on Regulations

Part 1800 OPERATION GENERALLY

- §175-10.1-1801 Methods of Operation
- §175-10.1-1805 Grounds for disciplinary action
- §175-10.1-1810 Publication of Payoffs
- §175-10.1-1815 Criminal Convictions as grounds for revocation
- §175-10.1-1820 Violation of law or Regulations
- §175-10.1-1825 Investigation of conduct of licensees generally
- §175-10.1-1830 Reports of violations and felony convictions
- §175-10.1-1835 Access to Premises and production of records
- §175-10.1-1840 Summoning of licensee
- §175-10.1-1845 Unauthorized games
- §175-10.1-1850 Unlicensed games or devices
- §175-10.1-1855 Collection of gaming credit
- §175-10.1-1860 Surveillance systems

Part 1900 GAMING EMPLOYEE LICENSURE

- §175-10.1-1901 Licensure Required: Casino Employee
- §175-10.1-1905 Licensure Required: Casino Key Employee
- §175-10.1-1910 Temporary Licensure
- §175-10.1-1915 Suspension and reinstatement of temporary licensure
- §175-10.1-1920 Investigation, criteria for objection; objection
- §175-10.1-1925 Duties of Casino Licensee
- §175-10.1-1930 System of Records, Contents
- §175-10.1-1935 Petition for hearing to reconsider objection to registration or to reconsider suspension or revocation of registration
- §175-10.1-1940 Criminal convictions as grounds for revocation
- § 175-10.1945 Violation of law or regulations.
- §175-10.1-1950 Fees (Reserved)

Part 2000 CHIPS AND TOKENS

- §175-10.1-2001 Approval of Chips and Tokens; applications and procedures
- §175-10.1-2005 Specifications for Chips and tokens
- §175-10.1-2010 Specifications for Chips
- §175-10.1-2015 Specifications for Tokens
- §175-10.1-2020 Use of Chips and Tokens
- §175-10.1-2025 Redemption and disposal of discontinued chips and tokens
- §175-10.1-2030 Destruction of counterfeit chips and tokens
- §175-10.1-2035 Promotional and tournament chips and tokens
- §175-10.1-2040 Other instrumentalities
- §175-10.1-2045 Chips and Tokens required

Part 2100 CARD GAMES

- §175-10.1-2101 Card game drop box procedures
- §175-10.1-2105 Sale of stakes
- §175-10.1-2110 Accounting for transactions between card table bank and card room bank
- §175-10.1-2115 Limitations on the use of card room banks and card table banks
- §175-10.1-2120 Rake off and time buy-in
- §175-10.1-2125 Skills Prohibited
- §175-10.1-2130 Proposition Players Prohibited
- §175-10.1-2135 Restrictions on other players
- §175-10.1-2140 Posting of rules

Part 2200 EXCLUDED AND EXCLUDABLE PERSONS

- §175-10.1-2201 Casino Licensee's right to exclude patrons
- §175-10.1-2205 List of exclusion and ejection
- §175-10.1-2210 Definitions
- §175-10.1-2215 Entry of Names
- §175-10.1-2220 Distribution and contents of the list
- §175-10.1-2225 Notice of Candidacy
- §175-10.1-2230 Hearing
- §175-10.1-2235 Petition to remove from the list
- §175-10.1-2240 Duty of licensee to exclude
- §175-10.1-2245 Programs to address problem gambling
- §175-10.1-2250 Under 21 years of age
- §175-10.1-2255 Special Exclusion Area

PART 2300

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

MISCELLANEOUS

- § 175-10.1-2301 Definitions
- § 175-10.1-2305 Persons Ineligible for Employment
- § 175-10.1-2310 Commission ineligible for employment
- § 175-10.1-2315 Gambling by Commission Prohibited
- § 175-10.1-2320 Gambling by Licensees Prohibited

Part 2400

CLOSING OF BUSINESS; INSOLVENCY

- § 175-10.1-2401 Surrender of license on closing of business
- § 175-10.1-2405 closing due to natural disasters.
- § 175-10.1-2410 Insolvency of a licensee

Part 2500

PENALTIES

- §175-10.1-2501 Legislative Mandate
- §175-10.1-2505 Suspension of Penalties
- §175-10.1-2510 Definitions
- §175-10.1-2515 Theories of Liability
- §175-10.1-2520 Casino Operator Licensee Liability
- §175-10.1-2525 Multiple Offenses from Single Action
- §175-10.1-2530 Self-Reporting Determination
- §175-10.1-2535 Determination of Offense Level
- §175-10.1-2540 Mandatory Offense Levels
- §175-10.1-2545 Penalties

Part 2600

JUNKETS (RESERVED)

PART 2700

SUBCHAPTER 175-10.2

COMMISSION CODE OF ETHICS

Part 001

CODE OF ETHICS

- §175-10.2-101 Commission to follow Government Ethics Act

SURVEILLANCE

- § 175-10.1-2701 General Surveillance Requirement
- § 175-10.1-2705 Surveillance Department; Independence
- § 175-10.1-2710 Control and Access
- § 175-10.1-2715 Casino Floor Plan
- § 175-10.1-2720 Dedicated Coverage Generally
- § 175-10.1-2725 Specific Surveillance Requirements
- § 175-10.1-2730 Surveillance Room Access and Control
- § 175-10.1-2735 Mandatory Monitoring and Recording
- § 175-10.1-2740 Surveillance Release Log
- § 175-10.1-2745 Panic Alarms
- § 175-10.1-2750 Duty to Notify Commission

PART 2800

SECURITY

- § 175-10.1-2801 General Security Requirement
- § 175-10.1-2805 Surveillance Department; Independence
- § 175-10.1-2810 Mandatory Reporting
- § 175-10.1-2815 Security Incident Log
- § 175-10.1-2820 Emergency Response Plan
- § 175-10.1-2825 Minimum Internal Controls
- § 175-10.1-2830 Casino Access Control: Minors
- § 175-10.1-2835 Casino Access Control: Visibly Intoxicated Persons
- § 175-10.1-2840 Prohibition on Transactions

Part 001

ISSUANCE OF REGULATIONS; CONSTRUCTION; DEFINITIONS

- §175-10.2-105 Responsibilities of Public Office
- §175-10.2-110 Commission Policies
- §175-10.2-115 Conflict of Interest
- §175-10.2-120 Political Activity

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

§175-10.1-001	Promulgation, amendment, modification and repeal
§175-10.1-005	Construction
§175-10.1-010	Severability
§175-10.1-015	Preemption
§175-10.1-020	Practice where Regulations Do Not Govern
§175-10.1-025	Suspension of Regulations
§175-10.1-030	Definitions, words and terms; tense, number and gender
§175-10.1-035	Headings
§175-10.1-040	Definitions
§175-10.1-045	Further Definitions
§175-10.1-050	Further Definitions
§175-10.1-055	Further Definitions

§ 175-10.1-001 Promulgation, amendment, modification and repeal. The following regulations are issued pursuant to Public Law 18-56, in accordance with procedures promulgated by the Administrative Procedure Act, 1 CMC §9101 et seq. The Commission will, from time to time, promulgate, amend and repeal such regulations, consistent with the policy, objects and purposes of Public Law 18-56, as the Commission may deem necessary or desirable in carrying out the policy and provisions of the laws of the Commonwealth. These regulations supersede any other regulations previously promulgated.

§ 175-10.1-005 Construction:

(a) Nothing contained in these regulations shall be construed as to conflict with any provision of the Act.

(b) These rules and regulations shall be interpreted in accordance with generally accepted principles of statutory construction. (c) These rules and regulations shall be liberally construed to permit the Commission to effectively carry out its statutory functions and to secure a just and expeditious determination of issues properly presented to the Commission.

§ 175-10.1-010 Severability. If any clause, sentence, subparagraph, paragraph, subsection, section, chapter, or other portion of these entire rules and regulations or the application thereof to any person or circumstance shall be held to be invalid, such holding shall not affect, impair, or invalidate the remainder of these rules and regulations or the application of such portion held invalid to any other person or circumstances, but shall be confined in its operation to the clause, sentence, subparagraph, paragraph, subsection, section, chapter, or other portion thereof directly involved in such holding or to the person or circumstance therein involved.

§ 175-10.1-015 Preemption. The Commission shall have exclusive jurisdiction over all matters delegated to it or within the scope of its power under the provisions of the Act and these Regulations. These Regulations supersede any bylaws of the Commission.

§ 175-10.1-020 Practice where Regulations Do Not Govern. In any matter not governed by these Regulations, the Commission shall exercise its discretion so as to carry out the purposes of the Act.

§ 175-10.1-025 Suspension of Regulations. On its own or a party's motion, the Commission may – to expedite its decision or for other good cause – suspend any provision of these Regulations in a particular matter and order proceedings as it directs, except the Commission may not contradict any explicit requirement of the Act.

§ 175-10.1-030 Definitions, words and terms; tense, number and gender. In interpreting these regulations, except when otherwise plainly declared or clearly apparent from the context: Words in the present tense include the future tense; The singular includes the plural and the plural includes the singular; and words of one gender include the other genders.

§ 175-10.1-035 Headings. The heading of a title, subtitle, chapter, subchapter, part, subpart, section or subsection does not limit or expand the meaning of a regulation.

§ 175-10.1-040 Definitions. In this Subchapter 175-10.1, the following words have the following meanings, unless some contrary meaning is required:

- (a) "Act" means Public Law 18-56 as it may be amended or supplemented by subsequent legislation.
- (b) "Ante" means a player's initial wager or predetermined contribution to the pot prior to the dealing of the first hand.
- (c) "Automated teller machine" or "ATM" means an automated bank teller machine capable of dispensing or receiving cash.
- (d) "Authorized Personnel" means any member or designee of the Commonwealth Casino Commission.
- (e) "Book" means a race book or sports pool licensed and approved pursuant to these Regulations.
- (f) "Business year" means the annual period used by a licensee for internal accounting purposes.
- (g) "Call" means a wager made in an amount equal to the immediately preceding wager.
- (h) "Card game" means a game in which the licensee is not party to wagers and from which the licensee receives compensation in the form of a rake-off, a time buy-in, or other fee or payment from a player for the privilege of playing, and includes but is not limited to the following: Poker, bridge, whist, solo and panguingui.
- (i) "Card room bank" means an imprest fund which is a part of and accountable to the licensee's casino cage or bankroll but which is maintained in the card room exclusively for the purposes set forth in 175-10.1-2115(a).
- (j) "Card table bank" means an imprest inventory of cash and chips physically located in the table tray on the card table and controlled by the licensee through accountability established with the card room bank. The card table bank shall be used only for the purposes set forth in Regulation 175-10.1-2115(b)

- (k) "Cashable credits" means wagering credits that are redeemable for cash or any other thing of value.
- (l) "Casino" means a place, area, structure, vessel, communication channel, or other thing, tangible or intangible, subject to licensing pursuant to this chapter for the conduct and playing of one or more games, or the acceptance of bets and wagers, including all associated activities of gaming and wagering, including but not limited to any bar, cocktail lounge or other facilities housed therein such as money counting, surveillance, accounting, and storage, related to such conduct and playing, provided, that such term shall not include areas of a resort complex or other facility exclusively devoted to other activities, such as a hotel, golf course, etc., in which no game is conducted or played and no wagering occurs.
- (m) "Casino employees" means any natural person employed in the operation of a licensed casino, including, without limitation, entertainers, boxers and boxing personnel; dealers or croupiers; floormen and floor personnel; machine mechanics; casino security employees; count room personnel; cage personnel; slot machine and slot booth personnel, collection personnel; casino surveillance personnel; supervisory and management personnel; and data processing personnel; or any other natural person whose employment duties require or authorize access to the casino gaming area or restricted casino areas, including without limitation, appropriate indoor and outdoor maintenance and service personnel; bartenders and bar personnel; waiters and waitresses; chefs, cooks and support staff; and secretaries and administrative personnel.
- (n) "Casino gaming activities" means all games of chance and other games played in major casino establishments in the United States and other games approved by the Commission, and further includes the operation of a sports book approved by the Commission to accept bets and wagers on sporting and other events which rely on events which occur within and without the casino.
- (o) "Casino Gaming Licensee" or "Casino Licensee" means the holder of the license issued by the Commonwealth Lottery Commission pursuant to the Act to operate casino gaming at the casino gaming facilities.
- (p) "Casino gross gaming revenue" means the total sums actually received from casino gaming activities, including credit card payments received and checks received whether collected or not, less the total amount paid out as winnings, provided that any sum received in payment for credit extended by a casino or operator for purposes of casino gaming activities or for the issue of a chip or chips for casino gaming activities shall be included as a sum received from gaming, and provided further that no allowance shall be permitted for any credit card fee or discount.
- (q) "Casino Key Employee" means an individual who is employed in the operation of a casino and who supervises other individuals employed in the casino and includes:
 - (1) A manager, an assistant manager, a floor person, a pit boss, a shift boss, a credit manager, and a count room manager; and,
 - (2) A supervisor of security employees, surveillance employees, accounting and auditing employees, and cashiers or count room employees;

and

- (3) Any employee whatsoever of a casino licensee so designated by the Commission.
- (r) "Casino Non-Gaming-Related Supplier" means a person who provides for the playing of games of chance in a casino, gaming equipment that is not mentioned in the definition of casino Service Provider in this section, or goods or services that relate to the construction, furnishing, repair, maintenance, or business of a casino, but that are not directly related to the playing of games of chance.
- (s) "Casino Security Service" means any non-governmental enterprise providing surveillance and/or security services to a casino, a casino licensee, to an approved hotel, or to any premises located with a casino hotel complex.
- (t) "Casino service provider" means a person subject to licensing pursuant to this chapter that offers goods or services directly or indirectly related to casino gaming activities, including but not limited to such persons as gaming equipment manufacturers, importers, distributors, or repairers; schools that teach gaming, including playing, dealing, or other techniques; and casino security services, junket operators, and any other service provider or entity the Commonwealth Casino Commission requires to be licensed.
- (u) "Chairman" means the chairman of the Commission appointed, confirmed and elected pursuant to the Act or his designee.
- (v) "Check" means a monetary instrument commanding a bank to pay a sum of money. In card games, it means to waive the right to initiate the wagering, but to retain the right to call after all the other players have either wagered or folded.
- (w) "Chip" means a non-metal or partly metal representative of value issued by a licensee for use at table games or counter games at the licensee's gaming establishment.
- (x) "CMC" means the Commonwealth Marianas Code.
- (y) "CNMI" means the Commonwealth of the Northern Mariana Islands.
- (z) "Commission" means the Commonwealth Casino Commission established by the Act.

§ 175-10.1-045 Further Definitions. In this Subchapter 175-10.1, the following words have the following meanings, unless some contrary meaning is required:

- (a) "Commissioner" means the commission member of the Commission appointed and confirmed pursuant to the Act.
- (b) "Commonwealth" means the Commonwealth of the Northern Mariana Islands.
- (c) "Confidential Information" means any information or data, furnished to or obtained by the Commission from a source, which is considered confidential pursuant to the applicable statutory provision, judicial decision, or rule of court.
- (d) "Convention center" is a place, combining the requirements of a Hotel, for a formal assembly or meeting of members, representatives, or delegates of a group, such as a political party, fraternity, union, business, government or religious entity.

- (e) "Counter game" means a game in which the licensee is party to wagers and wherein the licensee documents all wagering activity. The term includes, but is not limited to bingo, keno, race books, and sports pools. The term does not include table games, card games and slot machines.
- (f) "Counter games payout" means the total amount of money, chips, tokens, wagering vouchers, payout receipts, and electronic money transfers made from a counter game through the use of a cashless wagering system, that are distributed to a patron as the result of a legitimate wager.
- (g) "Counter games write" means the total amount of money, guaranteed drafts, chips, tokens, wagering vouchers, unpaid winning tickets, and electronic money transfers made to a counter game through the use of a cashless wagering system, that are accepted from a patron as a legitimate wager.
- (h) "Debit instrument" means a card, code or other device with which a person may initiate an electronic funds transfer or a wagering account transfer. The term includes, without limitation, a prepaid access instrument
- (i) "Dollar" means the money unit employed as legal tender of the United States of America of the value of one hundred (100) cents.
- (j) "Drop" means:
 - 1. For table games, the total amount of money, guaranteed drafts, chips, tokens, and wagering vouchers contained in the drop boxes and any electronic money transfers made to the game through the use of a cashless wagering system.
 - 2. For slot machines, the total amount of money, tokens and wagering vouchers contained in the drop box, and any electronic money transfers made to the slot machine through the use of a cashless wagering system.
- (k) "Drop box" means:
 - 1. For table games, a locked container permanently marked with the game, shift, and a number corresponding to a permanent number on the table. All markings must be clearly visible from a distance of at least twenty (20) feet. The container must be locked to the table, separately keyed from the container itself. All currency exchanged for chips or tokens or credit instruments at the table and all other items or documents pertaining to transactions at the table must be put into the container.
 - 2. For slot machines, a container in a locked portion of the machine or its cabinet used to collect the money and tokens retained by the machine that is not used to make automatic payouts from the machine.
- (l) "Electronic money transfer" means the transfer to or from a game or gaming device of a patron's cashable credits, through the use of a cashless wagering system, that have either been provided to the patron by the licensee, or for which the licensee or its affiliates have received cash through a wagering account. The term also includes electronic funds transferred from a financial institution to a game or gaming device as a result of an electronic funds transfer through a cashless wagering system.
- (m) "Enrollee" or "enrolled person" means any attorney, certified public accountant, or agent who is authorized to appear or practice before the Commission as provided in Part 1000.

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

- (n) "Establishment" means any premises where business is conducted, and includes all buildings, improvements, equipment and facilities used or maintained in connection with such business.
- (o) "Executive Director" means the Executive Director of the Commission appointed pursuant to the Act or his designee.
- (p) "Fiscal Year" means the period commencing on October 1 and ending the subsequent September 30.
- (q) "Funds" means money or any other thing of value.
- (r) "Game" means any activity that includes elements of prize, consideration, and chance, or any "game" that is approved by the Commission for the casino's purposes.
- (s) "Gaming" means the playing of any game;
- (t) "Gaming Equipment" means any mechanical, electrical, or electronic contrivance or machine used in connection with gaming or any game and includes, without limitation, roulette wheels, roulette tables, big six wheels, craps tables, tables for card games, layouts, slot machines, cards, dice, chips, plaques, card dealing shoes, drop boxes, and other devices, machines, equipment, items, or articles determined by the Commission to be so utilized in gaming as to require licensing of the manufacturers, distributors, or services or as to require Commission approval in order to contribute to the integrity of the gaming industry.
- (u) "Guaranteed draft" means a draft or check accepted by a licensee for gaming purposes whose drawer is a patron and whose drawee unconditionally guarantees payment provided that all required issuance and acceptance procedures are adhered to by the drawee and the licensee. The term includes, but is not limited to, traveler's checks. The term does not include personal checks.
- (v) "Hand" means one game in a series, one deal in a card game, or the cards held by a player.
- (w) "Hotel" means a commercial establishment that provides lodging and usually meals, entertainment, and various personal services for the public for a fee. To be considered a hotel, it must be built to the standards and contain amenities required in the Casino License Agreement entered into between the Commonwealth Lottery Commission and the Casino Gaming Licensee.
- (x) "Independent accountant" means a certified public accountant licensed by the Commonwealth or another state or territory of the United States, who is qualified to practice public accounting in the Commonwealth under the provisions of 4 CMC 3401 et. seq.
- (y) "Jackpot payout" means money, tokens, payout receipts, wagering vouchers, electronic money transfers made from a slot machine through the use of a cashless wagering system and the actual cost to the licensee of personal property, other than travel expenses, food, refreshments, lodging or services distributed to a slot machine player as a result of a legitimate wager.
- (z) "Junket" means a casino junket, as the term is generally used in the industry in all its forms, where gamblers traditionally are flown to an area where legalized gambling is available and booked into a hotel/casino at a discount provided by a junket promoter or operator who engages in junket activity, which includes but is

not limited to the provision of transportation, accommodation, food and drinks, discounts, rebates or entertainment with the purpose of promoting wagering in exchange for receiving commissions or other compensation paid by a casino operator.

§ 175-10.1-050 Further Definitions. In this Subchapter 175-10.1, the following words have the following meanings, unless some contrary meaning is required;

- (a) "Licensee" means a holder of a license issued by the Commission
- (b) "Meeting" means the convening of the full membership of the Commission, for which notice and a quorum is required in order to make a decision or to deliberate toward a decision upon a matter over which the Commission, has supervision, control, jurisdiction, or advisory power. It includes, but is not limited to, the consideration of license applications, transfers of interest, claims for tax refunds, petitions for redetermination, disciplinary proceedings, and exclusion list proceedings.
- (c) "Members" mean the Commissioners of the Commonwealth Casino Commission.
- (d) "Operator" means any person that actually provides the overall management of the operations of a casino, whether by ownership, lease, contract, agreement, or otherwise.
- (e) "Payout receipt" means an instrument that is redeemable for cash and is either issued by a game or gaming device, or as a result of a communication from a game or gaming device to associated equipment, that cannot be used for wagering purposes.
- (f) "Person" includes a natural person, as well as a partnership, corporation, association, joint venture, or other business entity.
- (g) "Pot" The total amount anted and wagered by players during a hand.
- (h) "Premises" means land together with all buildings, improvements and personal property located thereon.
- (i) "Prepaid access instrument" means a card, code, electronic serial number, mobile identification number, personal identification number or similar device that allows patron access to funds that have been paid in advance and can be retrieved or transferred at some point in the future through such a device. To transfer funds for gaming purposes, a prepaid access instrument must be used in conjunction with an approved cashless wagering system, race book or sports pool wagering account, or interactive gaming account.
- (j) "promotional chip" means a chip- or token-like object issued by a licensee for use in promotions or tournaments at the licensee's gaming establishment.
- (k) Proposition player: A person paid a fixed sum by the licensee for the specific purpose of playing in a card game who uses his own funds and who retains his winnings and absorbs his losses.
- (l) "Raise": A wager made in an amount greater than the immediately preceding wager.
- (m) "Rake-off" means a percentage of the total amount anted and wagered by players during a hand in a card game which may be taken by the licensee for maintaining or dealing the game.

- (n) "Registration" means a final order of the Commission which finds a partnership, limited partnership, association, trust, corporation or other legal entity except an individual suitable to be a holding company with respect to a licensee.
- (o) "Regulations" (sometimes abbreviated as "Regs.") means regulations adopted by the Commission.
- (p) "Resort" means a place, such as a hotel with no fewer than five hundred (500) rooms and a meeting hall, convention center or other large event space capable of accommodating one thousand (1,000) attendees, that is frequented by people for relaxation or recreation. To be considered a Resort, it be built the standards and contain amenities required in the Casino License Agreement entered into between the Commonwealth Lottery Commission and the Casino Gaming Licensee.
- (q) "Rim credit" means all extensions of credit in exchange for chips not evidenced by the immediate preparation of a credit instrument.
- (r) "Sales Representative" means any person owning an interest in, employed by, or representing a casino service industry enterprise licensed, who solicits the goods and services or business thereof.
- (s) "Secretary" means the secretary of the Commission appointed, confirmed and elected pursuant to the Act or his designee.
- (t) "Secure Storage Facility" means any area, room, furniture, equipment, machinery, or other device used by the Commission for the storage of confidential information access to which is limited to authorized personnel at all times by lock or other appropriate security precaution.
- (u) "Shill" or "Card game shill" means an employee engaged and financed by the licensee as a player for the purpose of starting and/or maintaining a sufficient number of players in a card game.
- (v) "Slot machine" means a machine used for gambling that starts when you put coins, dollars, chips, tokens, or credits into it and pull a handle or press a button. It includes but is not limited to video poker machines, electronic gaming machines and all similar machines as determined by the Commission, which can be used, for the playing of games or wagering in any fashion.
- (w) "Stake" means the funds with which a player enters a game.
- (x) "Stakes player" A person financed by the licensee to participate in a game under an arrangement or understanding where by such person is entitled to retain all or any portion of his winnings.
- (y) "Statements on auditing standards" means the auditing standards and procedures published by the American Institute of Certified Public Accountants.
- (z) "Statistical drop" means the dollar amount of cash wagered by a patron that is placed in the drop box plus the dollar amount of chips or tokens issued at a table to a patron for currency, credit instruments or rim credit.

§ 175-10.1-050 Further Definitions. In this Subchapter 175-10.1, the following words have the following meanings, unless some contrary meaning is required:

- (a) "Statistical win" means the dollar amount won by the licensee through play.
- (b) "Table game bankroll" means the inventory of:

1. Chips, tokens and coinage at a table game that is used to make change, extend credit and pay winning wagers; and
 2. Unpaid credit at a table game, including credit instruments not yet transferred to the cage and outstanding rim credit.
- (c) "Table tray" means a receptacle used to hold the card table bank.
- (d) "Time buy-in" A charge to a player, determined on a time basis, by the licensee for the right to participate in a game.
- (e) "Token" means a metal representative of value issued by a licensee for use in slot machines and at table games or counter games at the licensee's gaming establishment.
- (f) "Treasurer" means the treasurer of the Commission appointed, confirmed and elected pursuant to the Act or his designee.
- (g) "Vice Chairman" means the vice chairman of the Commission appointed, confirmed and elected pursuant to the Act or his designee.
- (h) "Wager" or "Wagering" means a contract in which two or more parties agree that a sum of money or other thing, tangible or intangible, shall be paid or delivered to one of them or that shall gain or lose on the happening of an uncertain event or upon the ascertainment of a fact in dispute.
- (i) "Wagering voucher" means a printed wagering instrument, used in a cashless wagering system, that has a fixed dollar wagering value and is redeemable for cash or cash equivalents.

PART 100. COMMONWEALTH CASINO COMMISSION: ORGANIZATION AND ADMINISTRATION

§175-10.1-101	Commonwealth Casino Commission
§175-10.1-105	Powers and Duties
§175-10.1-110	Limitation on Powers
§175-10.1-115	Executive Director
§175-10.1-120	Delegation to Chairman
§175-10.1-125	Commission Meetings
§175-10.1-130	Resolutions and Minutes
§175-10.1-135	Appearances
§175-10.1-140	Recessed meetings
§175-10.1-145	Investigative hearings
§175-10.1-150	Appointment of committees
§175-10.1-155	Service of notices in general
§175-10.1-160	Subpoenas
§175-10.1-165	Employment and termination of employees
§175-10.1-170	Procedure for control of evidence and destruction of cheating devices

§ 175-10.1-101 Commonwealth Casino Commission:

- (a) The Commission shall consist of five (5) Commissioners:
- (1) The Governor shall appoint from the Third Senatorial District three members

to the Commission, subject to the advice and consent of the Saipan and Northern Islands Legislative Delegation.

(2) The Mayor of Rota shall appoint from the First Senatorial District one member to the Commission, subject to the advice and consent of the Rota Legislative Delegation.

(3) The Mayor of Tinian and Aguiguan shall appoint from the Second Senatorial District one member to the Commission, subject to the advice and consent of the Tinian and Aguiguan Legislative Delegation.

(4) Each member shall serve a term of four years, except that of the members first appointed, two shall serve a term of two years, and three shall serve a term of four years, which shall be determined by lottery at the first meeting of the Commission.

(5) The terms of all the members first appointed shall begin from May 1, 2014, regardless of the actual date of appointment.

(b) Any vacancy shall be filled in the same manner as the original appointment and for the unexpired term thereof. A member removed from the Commission for cause shall not be re-appointed to the Commission.

(c) Qualifications of Commissioners:

(1) Each member shall be a citizen or national of the United States and shall be a resident of and registered to vote in the Senatorial District from which they were appointed.

(2) A Commission member must be an adult, and possess a good moral character, a bachelor's degree in any field of study from a postsecondary educational institution accredited in the United States or must have at least five years work experience in the following areas: business management, government management, or financial management.

(3) No person may be appointed who has been convicted of a crime, excepting traffic offenses, in any jurisdiction of the United States, the Commonwealth or any foreign country carrying a maximum sentence of more than six (6) months, or any crime or offense involving moral turpitude unless a full pardon has been granted.

(4) No member shall serve in any other positions established by this chapter or shall be an employee or official of the Commonwealth, or of a municipality, agency, corporation, or other instrumentality or branch of the Commonwealth, or of any agency of local government of the Commonwealth, except that a member may serve without additional compensation on a task force or other temporary body the work of which is related to the work of the Commission.

(5) No individual may serve as a member of the Commission, if such individual, or a parent or child of such individual, holds or is an applicant for any license under this title or holds any direct or indirect financial interest in any person or entity that holds or is an applicant for any license under this title.

(6) The gender and ethnicity requirements of 1 CMC § 2901 shall not apply to the Commission.

(d) Removal of Commissioner for Cause Only. The Governor may, for cause only, suspend or remove any Commission member, without regard to who appointed said

member, subject to judicial review by the Superior Court, which may stay such removal or suspension pending such review.

(e) Membership on the Commission shall be automatically forfeited upon violation of subsection (c) of this section, upon conviction of a felony, or upon conviction of any crime or offense involving moral turpitude.

(f) The Commission shall not be considered an agency of local government for purposes of Article VI, Section 8, of the Constitution.

(g) Compensation. Members of the Commission shall each be compensated pursuant to law. The members of the Commission are not employees of the Commission or the Commonwealth government.

(h) The members of the Commission shall elect their chairman, vice chairman, secretary and treasurer for terms of one (1) year, beginning from the effective date of their term.

(i) Quorum. The minimum number of Members needed to constitute a quorum for the conduct of Commission business shall be three (3) Members. A Member who appears at a Meeting telephonically or via videoconference shall be deemed present to constitute a quorum.

§ 175-10.1-105 Powers and Duties. The Commission shall have all the powers and authority necessary to carry out the purposes of the Act, including, without limitation, the responsibility:

(a) To conduct hearings pertaining to the violation of the Act or regulations promulgated thereto; including hearings for the purpose of approving casino licenses and other business allowed under the Act.

(b) To promulgate such rules and regulations, as may be necessary to fulfill the intent, policies and purposes of the Act. The Commission may use such rules and regulations to interpret, enlarge upon, except provisions defining the authority and powers of the Commission, or define, any provision of the Act to the extent that such provision is not specifically defined by the Act. The rules and regulations shall, at a minimum, provide for the following:

(1) A code of ethics for the members of the Commission and its officers and employees;

(2) Supervision, monitoring and investigation or other means to ensure the suitability and compliance with the legal, statutory and contractual obligations of owners, operators, and employees of casinos and other persons licensed under this chapter;

(3) The examination, supervision and monitoring of the continuing fiscal and financial capability of casino owners, operators, concessionaires and other parties with any direct or indirect relation to the sole casino operator licensee and to protect the public in the event that such capability is significantly diminished;

(4) To collaborate in the definition, coordination and execution of the economic

policies for the operations of the casino games of fortune and other ways of gaming, pari-mutuels, wagering and casino gaming activities offered to the public;

(5) To authorize and certify all the equipment and utensils used by the operations of the concessionaires approved in the respective concessions;

(6) To issue licenses for "junket" promoters of casino games of fortune or other casino gaming activities and charge fees therefore;

(7) To examine, supervise and monitor the eligibility of the single or collective junket promoter(s), their partners and principal employees;

(8) To examine, supervise and monitor the activities and promotions of the junket promoters in relation to their compliance with legal, statutory, and contractual obligations, and other responsibilities stipulated in the applicable legislation and contracts;

(9) To investigate and penalize any administrative infractions practiced according to the appropriate substantial and procedural legislations;

(10) To ensure that the relationship of the licensed gaming operators with the government and the public is in compliance with the Commission's regulations and provides the highest interest to Commonwealth;

(11) The exclusion and removal of undesirable persons from the sole casino operator licensee's facilities.

(12) Civil penalties for the violation of provisions or regulations imposed under the Act;

(13) Penalties for the late payment of applicable fines, or fees;

(14) Means to exclude from the gaming areas of a casino individuals under twenty one (21) years of age, except such lawful employees of the casino or of a resort complex or other facility of which the casino forms a part as the Commission determines by regulation may be present in such areas; and

(15) Provisions to attempt to identify and refuse service to gambling addicts and problem gamblers as they may be defined by the Commission.

(c) To levy fines and penalties for the violation of provisions of the Act and the regulation promulgated by the Commission.

(d) To require and demand access to and inspect, examine, photocopy, and audit all papers, books and records of the casino operator on its premises or elsewhere as practical, including inspecting the gross income produced by the casino operators, gaming business and verification of their income, and all other matters affecting the enforcement of the Commission's policy or as required pursuant to the Act.

(e) To determine the types of gaming and games to be covered by the casino license and their structure.

(f) To regulate sports betting, pari-mutuel betting, and other wagering, which relies on events occurring within or without the casinos, regulated by the Commission.

(g) The Commission shall not have the authority to issue license to the sole casino operator licensee. The power to issue such license lies with the Commonwealth Lottery

Commission.

(h) To require and demand access to and inspect, examine, photocopy, and audit all papers, books and records of any casino service provider on its premises or elsewhere as practical, including inspecting the gross income produced by the provider's business and verification of their income, and all other matters affecting the enforcement of the Commission's policy or as required pursuant to this chapter.

(i) To conduct investigative hearings which may be conducted by one or more members with the concurrence of a majority of the Commission, or by a hearing examiner appointed by the Commission, with or without public notice, at such times and places, within or without the Commonwealth, as may be convenient.

(j) To determine which information in its possession, including but not limited to all forms, applications, contracts, security plans, lists, internal procedures of licensees, or documents of any kind, without regard to the manner of storage of the information, be it physical, electronic or otherwise, is unsuitable for public disclosure due to safety concerns or privacy concerns and to withhold the same from public inspection, copying or disclosure. The Commission's determination that information is unsuitable for public inspection, copying or disclosure is not subject to judicial review.

(k) To have the sole authority to amend or revoke the license granted to the casino operator by the Commonwealth Lottery Commission for operating in an unsuitable manner due to violations of law, breaches of the license or violations of the Regulations promulgated by the Commission, as well as any other reason for revocation or termination stated in the License. If the Commission revokes the license issued by the Commonwealth Lottery Commission, the Commonwealth Casino Commission shall have the sole authority to re-issue a new casino gaming license. At least three (3) affirmative votes by Commission members shall be required to issue a new casino license.

(l) To have the authority to determine which orders concerning the casino licensee or the holder of or applicant for any license granted by the Commission are unsuitable for public disclosure due to safety concerns or privacy concerns, and to withhold the same from publication in the Commonwealth Register; public inspection; public copying; or public disclosure. Any order of the Commission concerning the casino licensee or the holder of or applicant for any license granted or to be issued by the Commission which has been determined unsuitable for publication in the Commonwealth Register, public inspection, public copying or public disclosure is effective against the licensee or applicant notwithstanding the lack of publication of the order. The Commission's determination that information is unsuitable for publication, public inspection, public copying or public disclosure is not subject to judicial review.

(m) To determine which orders or directives involving the casino licensee or the holder of or applicant for any license granted by the Commission are unsuitable for adoption in a public meeting due to safety concerns or privacy concerns, and to discuss and/or

adopt such order or directive in executive session of a duly noticed meeting or at a meeting of which notice has not been given.

(n) The Commonwealth Casino Commission shall have all oversight, responsibility, and authority necessary to assure compliance with this chapter, including but not limited to authority over: timelines for construction, the commencement of operations, and achieving the minimum initial investment requirements. The Commission shall approve the casino operator licensee's set number of games, such as slot machines or gaming tables, either in total or by category, or by location.

(o) To impose charges and fees for all costs incidental to the review, redaction and copying by the Commission of documents subject to public inspection without regard to whether the document is merely inspected by the requestor or whether copies are requested. Such fees shall be retained for use by the Commission without fiscal year limitation or further appropriation. The expenditure authority for such funds shall be the Chairman or his designee.

(p) To summarily seize and remove from all premises wherein gaming is conducted or gambling devices or equipment is manufactured, sold, or distributed, and impound any equipment, supplies, documents or records for the purpose of examination and inspection.

(q) The Commission or any of its members has full power and authority to issue subpoenas and compel the attendance of witnesses at any place within the Commonwealth, to administer oaths, receive evidence, and to require testimony under oath. The Commission or any member thereof may appoint hearing examiners who may issue subpoenas, administer oaths, and receive evidence and testimony under oath. Any person making false oath in any matter before the Commission or its appointed hearing officer is guilty of perjury.

(r) The Commission may but need not pay transportation and other expenses of witnesses as it may deem reasonable and proper. The Commission may require any licensee or applicant which is the subject of the hearing to pay for all costs and expenses of said hearing, including the expenses of any witness.

(s) The Commission shall initiate regulatory proceedings or actions appropriate to enforce the provisions of the gaming laws of the Commonwealth and the regulations promulgated thereto, when appropriate shall, in conjunction with the Attorney General, sue civilly to enforce the provisions of the gaming laws of the Commonwealth and the regulations promulgated thereto, and may request that the Attorney General prosecute any public offense committed in violation of any provision of the gaming laws of the Commonwealth.

(t) To have sole jurisdiction to resolve disputes between patrons of a licensed casino and the licensee wherein the patron is attempting to collect a payout or other gaming debt. The Commission shall provide by regulation the procedures by which disputes

are to be resolved and may impose charges and fees therefore. Notwithstanding any other law to the contrary, the Commission's decisions on patron disputes may be reviewed by the Commonwealth Superior Court which may affirm the decision and order of the Commission or the hearing examiner, or it may remand the case for further proceedings, or reverse the decision only if the substantial rights of the petitioner have been prejudiced because the decision is:

- (1) In violation of constitutional provisions;
- (2) In excess of the statutory authority or jurisdiction of the Commission or the hearing examiner; or
- (3) Unsupported by any evidence whatsoever.

(u) To have sole jurisdiction to determine whether a person or entity requires licensure or a finding of suitability in order to own, be employed by, receive revenue or profits (whether directly or indirectly) from, or do business with, a licensed casino. Further, the Commission shall have sole jurisdiction to determine whether a person or entity remains suitable in order to continue to own, be employed by, receive revenue or profits (whether directly or indirectly) from, or continue to do business with, a licensed casino. The Commission's decisions on licensure or finding of suitability may be reviewed by the Commonwealth Superior Court which may affirm the decision and order of the Commission or the hearing examiner, or it may remand the case for further proceedings, or reverse the decision only if the substantial rights of the petitioner, applicant or license holder have been prejudiced because the decision is:

- (1) In violation of constitutional provisions;
- (2) In excess of the statutory authority or jurisdiction of the Commission or the hearing examiner; or
- (3) Unsupported by any evidence whatsoever.

(v) The Commission shall have concurrent authority to determine the suitability of any location proposed for any portion of the operations of the casino operator licensee's operations in the Commonwealth. The Commission shall have the authority to require of developers, owners or financiers completion bonds in any amount agreeable to the Commission prior to or during the construction of any facility that requires, or once completed will require, a license from the Commission. The Commission shall have the authority to require the casino licensee to obtain completion bonds in any amount deemed reasonable to the Commission and of such quality satisfactory to the Commission to ensure the completion of construction for any construction project built by, for, or in relation to the casino licensee's operations in the Commonwealth. The Commission may but need not regulate the interior design, security, cleanliness or sanitation of any portion of the operations of the casino operator licensee's operations in the Commonwealth or any facility which requires or has a license issued by the Commission regardless of the location of such facility.

(w) Due to the highly confidential and technical nature of the Commission's responsibilities, the Commission may have a working meeting and meet in an open or closed meeting, with or without notice, within or without the Commonwealth, to discuss and deliberate about any matter over which the Commission has jurisdiction. Final

action shall occur in an open meeting after appropriate notice has been given the public, unless the Commission determines that the action should not occur in a public meeting due to safety concerns or privacy concerns, in which case final action may be taken in executive session of a properly noticed meeting or in a meeting, open or closed to the public, where no notice has been given.

(x) To approve the construction of the various phases of development of the operations of the casino operator licensee's operations in the Commonwealth and to allow gaming to commence at any time, and in such locations in Saipan, as the Commission deems appropriate. Notwithstanding the foregoing, the Commission shall not approve more than one live training facility of temporary duration and three permanent gaming facilities which may be located together or separately throughout Saipan and together shall be operated by the sole casino operator licensee.

(y) The Commission may exercise any proper power and authority necessary to perform the duties assigned to it by the Legislature, and is not limited by any enumeration of powers in this section.

§ 175-10.1-110 Limitation on Powers and Duties:

(a) The Commission shall not regulate betting or wagering associated with cockfighting.

(b) The Commission shall not have the authority to issue the original license to the sole casino operator licensee pursuant to the Act. The power to issue such sole casino operator license lies with the Commonwealth Lottery Commission pursuant to the Act.

§ 175-10.1-115 Executive Director:

(a) The Commission shall hire an Executive Director who will be responsible for the overall administration of the Commission and the supervision of the casino operator licensee and others pursuant to the Act.

(b) Qualification of the Executive Director. The Executive Director shall possess the following minimum qualification:

(1) A bachelor's degree from a United States accredited educational institution or equivalent; and

(2) Five (5) years work experience in professional, administrative or management in government or private sectors; and

(3) Good ethical and moral character; and

(4) The Commission shall not hire any person for the Executive Director's position who has been convicted of a crime in any jurisdiction of the United States, or any foreign country carrying a minimum sentence of imprisonment of more than six months, excepting traffic offenses.

(5) The Executive Director shall not have any interest, directly or indirectly, in any business under the jurisdiction of the Commission.

(c) The Executive Director shall be the head of the administration of the Commission, and subject to the general oversight and direction of the Commission, shall organize the work of the Commission in a manner that will ensure its efficient and effective operation and, subject to the budgetary authority, the Executive Director may hire and terminate such staff necessary to carry out the purpose of the Commission. Such staff shall be exempt from the civil service. The Executive Director shall obtain such equipment, rent or build such additional office space, and generally make such regular office expenditure and acquisitions as necessary to establish and maintain a working office suitable for the Commission to effectively function pursuant to the Act.

(d) The Executive Director shall have such other duties as may be assigned or delegated by the Commission.

(e) The Executive Director serves at the pleasure of the Commission.

(f) The Executive Director's annual salary shall be established by the Commission. The Executive Director shall be reimbursed for actual, necessary, and reasonable expenses incurred in the performance of his or her duties as allowed by the Commission, but in any event not to exceed \$25,000.00 in reimbursements per calendar year. All travel will be subject to 1 CMC §7407.

§ 175-10.1-120 Delegation to Chairman:

(a) The Commission hereby delegates to the Chairman the authority to issue preliminary rulings on scheduling, procedural, and evidentiary matters, and other matters provided by these Regulations, that may be presented to the Commission during the course of conducting a meeting, or that may arise when the Commission is not meeting.

(b) The Commission may, upon a majority vote in a specific case, temporarily abrogate the general delegation granted pursuant to subsection (a) of this section.

(c) Any specific ruling or decision of the Chairman pursuant to subsection (a) of this section is subject to consideration by the entire Commission upon the request of any Commissioner, or upon timely motion of a person affected by the ruling or decision.

(d) The Commission shall be deemed to have ratified an action of the Chairman taken pursuant to subsection (a), under the following circumstances:

(1) If the Chairman's action occurred during a Commission meeting, the Chairman's action is ratified if the Commission does not overturn or address the action at that meeting.

(2) If the Chairman's action occurred at a time other than during a meeting, if the Commission does not overturn or address the Chairman's action at the next meeting concerning that particular matter.

(e) The Chairman may sign all orders on behalf of the Commission.

(f) Where the Commission is a party to civil litigation, the Chairman may give guidance regarding the course of the litigation to the attorney for the Commission.

§ 175-10.1-125 Commission meetings:

(a) Regular meetings of the Commission shall be held at least once per month in Saipan, CNMI, on such dates and at such times as the Commission shall establish.

(b) Special meetings of the Commission will be held from time to time on such dates and at such times and places as the Commission may deem convenient.

(c) Except as otherwise specifically provided by these regulations, any member of the Commission may place an item on a Commission agenda for consideration by the entire Commission.

(d) The Chairman may alter the order in which matters on the Commission agenda are heard.

(e) Requests for special meetings will be granted only upon a showing of exceptional circumstances. The Commission may require that a person requesting a special meeting pay the costs associated with such meeting, in addition to those costs usually assessed against an applicant.

(f) In the absence or incapacity of the Chairman, the Vice-chairman may call a special meeting. In the absence or incapacity of both, any two members of the Commission may call a special meeting.

(g) Unless otherwise ordered by the Chairman, requests for continuances of any matter on the Commission agenda must be in writing, must set forth in detail the reasons a continuance is necessary, and must be received by the Secretary no later than two calendar days before the meeting.

(h) Unless otherwise ordered by the Chairman, the original of any documentation supplementing an application as required by the Commission must be received by the Secretary no later than eight (8) calendar days before the meeting. Documentation not timely received will not be considered by the Commission unless the Commission, in its discretion, otherwise consents.

(i) The Chairman may defer to another meeting any matter with respect to which documentation has not been timely submitted. The applicant and its enrolled attorney or agent, if any, must appear at the meeting to which the matter is deferred, unless the Chairman waives their appearances.

§ 175-10.1-130 Resolutions and Minutes:

(a) The records of the Commission shall include a minute book and a resolution book. The vote on any matter before the Commission shall be set forth in the minutes in substantial compliance with requirements of (b) below, unless the Chairman or the Commission determines otherwise. If the Commission determines to memorialize the vote on a particular matter by the preparation of a formal resolution, the resolution shall be prepared in substantial compliance with the requirements of (c) below and shall be recorded in the resolution book.

(b) Every vote of the Commission recorded in the minutes shall include the following information:

- (1) The substance of the matter considered;
- (2) The vote of the Commission, including the names of any Commissioner dissenting or abstaining;
- (3) If appropriate, reference to the existence of a formal resolution concerning the matter; and,
- (4) Certification by the Secretary of the Commission.

(c) Every formal resolution of the Commission shall include the following information:

- (1) A concise statement of the issues presented and the relevant procedural history;
- (2) The precise statutory authority for the action taken;
- (3) A precise statement of the action taken by the Commission, including any terms or conditions attached thereof; and,
- (4) Certification by the Secretary of the Commission.

(d) The failure to substantially comply with the requirements of (b) or (c) above shall not invalidate the vote of the Commission.

§ 175-10.1-135 Appearances:

(a) Except as provided in subsection (b) or unless an appearance is waived by the Chairman, all persons, and their enrolled attorneys and agents, if any, must appear at the Commission meeting at which their matter is to be heard. Requests for waivers of appearances must be in writing, must be received by the Secretary no later than eight (8) business days before the meeting, and must explain in detail the reasons for requesting the waiver. If at the time of its meeting the Commission has any questions of an applicant who has been granted a waiver and is not present, the matter may be deferred to another meeting of the Commission.

(b) Unless the Commission otherwise instructs, the following persons, and their enrolled attorneys and agents, are hereby granted a waiver of appearance for the Commission meeting: (1) Applicants who have received a unanimous recommendation of approval from the Commission; (2) Licensees and Commission counsel on stipulations between the licensees and the Commission, where the stipulations fully resolve petitions for redeterminations, claims for refunds or other issues.

(c) Where the Commission is to consider a stipulation between the Executive Director and a licensee settling a disciplinary action and revoking, suspending or conditioning a license, the licensee shall be prepared to respond on the record to questions regarding the terms of the stipulation and the licensee's voluntariness in entering into the stipulation.

§ 175-10.1-140 Recessed Meetings. Any meeting of the Commission may be recessed to consider matters which were duly noticed as items on the agenda of that meeting, to such time and place as the Commission may designate. Notice of a recessed meeting to consider matters which were duly noticed as items on the agenda may be given by announcement at the meeting, but where any other matters are to be considered at a recessed meeting, such matters must be duly noticed as required by these Regulations or as otherwise required by statute.

§ 175-10.1-145 Investigative Hearings. Investigative hearings may be conducted by one or more members of the Commission with the concurrence of a majority of the Commission without notice at such times and places, within or without the Commonwealth, as the member or members may deem convenient. The concurrence of the majority of the Commission need not be obtained in a duly noticed public meeting, or any meeting held without notice.

§ 175-10.1-150 Appointment of Committees. The Chairman may at his discretion appoint committees to study and report to the Commission any matter appropriate to the Commission's administration of the Act or these regulations.

§ 175-10.1-155 Service of notices in general:

(a) Each licensee and applicant shall provide an electronic mail address to the Commission for the purpose of sending notices and other communications from the Commission. Each licensee and applicant shall update this electronic mail address immediately as often as is otherwise necessary. The original provision and subsequent updates of electronic mail addresses shall be made to the Commission's custodian of records by means designated by the Chairman.

(b) Except as otherwise provided by law or in these regulations, notices and other communications will be sent to an applicant or licensee by electronic mail at the electronic mail address of the establishment as provided to the Commission for the purpose of sending notices and other communications. Except as otherwise provided by law or in these regulations, notices and other communications sent by electronic mail shall satisfy any requirement to mail a notice or other communication.

(c) Notices shall be deemed to have been served on the date the Commission sent such notices to the electronic mail address provided to the Commission by a licensee or applicant, and the time specified in any such notice shall commence to run from the date of such mailing.

(d) Any applicant or licensee who desires to have notices or other communications mailed to a physical address shall file with the Commission a specific request for that purpose, and notices and other communications will, in such case, be sent to the applicant or licensee at such address, but the Commission may charge a fee therefore.

(e) An applicant or licensee will be addressed under the name or style designated in the application or license, and separate notices or communications will not be sent to individuals named in such application or license unless a specific request for that purpose is filed with the Commission. In the absence of such specific request, a notice addressed under the name or style designated in the application or license shall be deemed to be notice to all individuals named in such application or license.

§ 175-10.1-160 Subpoenas. The Commission hereby delegates to the Secretary the authority to issue subpoenas and subpoenas duces tecum as provided by these regulations. In the absence of the Secretary, the Chairman may designate another person to issue such subpoenas.

§ 175-10.1-165 Employment and termination of Commission employees. The Executive Director shall be responsible for the employment and termination of Commission employees. Members of the Commission are responsible only for the employment of the Executive Director and shall not interfere with the Executive Director's employment decisions

§ 175-10.1-170 Procedure for control of evidence and destruction of cheating devices:

(a) When an agent of the Commission seizes any article of property, the custodian of evidence for the Commission shall place the evidence in a secure facility and enter in a suitable system sufficient information to establish a chain of custody. A failure to comply with this subsection shall not render evidence inadmissible in any proceeding before the Commission.

(b) Any article of property which constitutes a cheating device shall not be returned to a claimant. All cheating devices shall become the property of the Commission upon their seizure and may periodically be disposed of by the Commission. When disposing of a cheating device, the Commission shall document the date and manner of its disposal.

(c) The Commission shall notify by first class mail each known claimant of a cheating device that he or she has sixty (60) days from the mailing of notice within which to file a written claim to contest its classification as a cheating device.

(d) Failure to timely file a written claim as provided in subsection (c) constitutes an admission by all claimants that the article of property is subject to destruction. The Chairman of the Commission shall have complete and absolute authority to rule on a claim filed pursuant to subsection (c).

(e) After expiration of the sixty (60) day period, the Commission may retain or dispose of the cheating device in any reasonable manner.

Part 200 INFORMATION AND FILINGS:

§ 175-10.1-201	Office Mailing Address and Hours
§ 175-10.1-205	Official Records; Fees for Copies
§ 175-10.1-210	Communications/ Notices to Commission
§ 175-10.1-215	Public Information Office
§ 175-10.1-220	Filing of Petitions and Applications
§ 175-10.1-225	Petitions for Rulemaking
§ 175-10.1-230	Petitions for Declaratory Judgment

§ 175-10.1-201 Office Mailing Address and Hours. The main mailing address of the Commission is:

Commonwealth Casino Commission
P.O. Box 500237
Saipan, MP 96950

(b) The normal office hours of the Commission are from 7:30 A.M. to 4:30 P.M., Monday through Friday, unless otherwise authorized by the Commission. The office of the Commission is closed to the public on legal holidays authorized by the CNMI government.

(c) The Commission may maintain work schedules for Commission employees during any hour of any day.

§ 175-10.1-205 Official Records; Fees for Copies:

(a) No original official record of the Commission shall be released from the custody of the Commission unless upon the express direction of the Chairman or Executive Director or upon the order of a court of competent jurisdiction.

(b) Copies of the official records of the Commission which are required by law to be made available for public inspection will be made available during the hours provided for in section 175-10.1-201, and upon the payment of appropriate fees.

(c) No person shall, directly or indirectly, procure or attempt to procure from the records of the Commission or from other sources, information of any kind which is not made available by proper authority.

(d) No application, petition, notice, report, document, or other paper will be accepted for filing by the Commission and no request for copies of any forms, pamphlets, records,

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

documents, or other papers will be granted by the Commission, unless such papers or request are accompanied by the required fees, charges, or deposits.

(e) Copies of official records of the Commission which are required by law to be made available for public inspection where copies are provided shall be One Dollar (\$1.00) per page.

(f) All payment of taxes, fees, deposits, and charges which are to be made to the Commonwealth Treasury shall be made by check payable to the order of the Commonwealth Treasurer and mailed to the Department of Finance with an original receipt delivered to the main office of the Commission or posted by certified mail to the mailing address of the Commission.

(g) All payment of taxes, fees, deposits, and charges which are to be made to the Commonwealth Casino Commission shall be made by check payable to the order of the Commonwealth Casino Commission and posted by certified mail to the mailing address of the Commission.

(h) The Commission may provide for payment by wire transfer.

§ 175-10.1-210 Communications/Notices to Commission:

(a) Except as otherwise provided, all papers, process, or correspondence other than fees deposits or charges, relating to the Commission should be addressed to or served upon the Commonwealth Casino Commission at the Commission's main office.

(b) All such papers, process, or correspondence shall be deemed to have been received or served when delivered to the main office of the Commission but a Commissioner or such individual members of the Commission's staff as the Chairman may designate, may in his or her discretion receive papers or correspondence or accept service of process.

(c) Notwithstanding any other regulation to the contrary, at least one (1) copy of the Casino Gaming Licensee's annual audited financial statements must be delivered to the Commission via US Mail. Six additional copies hard must be delivered to the Commission and may be hand delivered to the Commission's main office in Saipan. One electronic copy should be emailed to the Commission.

§ 175-10.1-215 Public Information Office. Requests for information regarding the Commission may be sent to:

Commonwealth Casino Commission
Attn: Executive Director
P.O. Box 500237
Saipan, MP 96950

§ 175-10.1-220 Filing of Petitions and Applications. Petitions for formal action by the Commission shall be addressed to the Chairman of the Commission and should be certified mailed or delivered to:

Commonwealth Casino Commission
Attn: Chairman
P.O. Box 500237
Saipan, MP 96950

§ 175-10.1-225 Petitions for Rulemaking:

(a) Any interested person may file a petition with the Commission for the adoption, amendment, or repeal of any rule, pursuant to Commission regulation. Such petition shall be in writing, be signed by the petitioner, and include the following information:

- (1) The name and address of the petitioner;
- (2) The substance or nature of the requested rulemaking;
- (3) The reasons for the request;
- (4) The specific legal rights, duties, obligations, privileges, benefits, or other specific legal relations of the interested person which are affected by the requested rulemaking; and
- (5) Reference to the statutory authority under which the Commission may take the requested action; and
- (6) The a check made out to the order of the Commonwealth Treasurer for the fee referenced in § 175-10.1-1225(e)(2), or an original receipt showing that the fee has been paid.

(b) Any document submitted to the Commission which is not in substantial compliance with this section shall not be deemed to be a petition for rulemaking requiring further action. The Commission may but need not return the document to the petitioner with instructions as to the steps necessary to correct any defects or omissions in accordance with this section.

(c) A petition for rulemaking shall be scheduled for consideration at a regularly scheduled public meeting of the Commission. The petitioner shall be given an opportunity to make a statement in support of the requested rulemaking.

(d) Within thirty (30) days of receipt of a petition which is in compliance with this section, the Commission shall mail to the petitioner a notice of action on the petition, which shall include the nature or substance of the Commission's action upon the petition and a brief statement of reasons for the Commission's actions.

- (e) Commission action on a petition for rulemaking may include:
- (1) Approval or denial of the petition;
 - (2) Filing a notice of proposed rule; or
 - (3) Referral of the matter for further deliberations, the nature of which will be specified and which will conclude upon a specified date. The results of these further

deliberations shall be mailed to the petitioner.

Part 300 LICENSE AND REGISTRATION REQUIREMENTS:

- § 175-10.1-301 Casino License
- § 175-10.1-305 Casino Service Provider Licenses
- § 175-10.1-310 Employee Licenses Generally
- § 175-10.1-320 Training Courses of Employees

§ 175-10.1-301 Casino License. The Casino License shall be granted pursuant to the Act by the Commonwealth Lottery Commission.

§ 175-10.1-305 Casino Service Provider Licenses. (a) No person shall provide any goods or services to or conduct any business whatsoever with a casino, a casino licensee, its employees or agents, whether or not said goods, services, or business directly relates to casino or gaming activity, unless a casino service provider license authorizing the particular casino service business shall have first been issued to the enterprise pursuant to Part 1300 of these Regulations if such licensure has been required by the Commission. (b) The Casino Licensee shall not procure in any fashion goods or services to or conduct any business whatsoever with a person or entity, its employees or agents, whether or not said goods, services, or business directly relates to casino or gaming activity, unless a casino service provider license authorizing the particular casino service business shall have first been issued to the enterprise pursuant to Part 1300 of these Regulations if such licensure has been required by the Commission.

§ 175-10.1-310 Employee Licenses Generally:

(a) Every casino key employee and casino employee, except those approved by the Chairman, shall wear in a conspicuous manner their license credential issued by the Commission at all times while on duty in the casino area which includes without limitation the casino floor, cashier's cage, countrooms, the Surveillance rooms; the Security Rooms, and any area of the premises not accessible to the general public.

(b) The Casino Gaming Licensee shall not permit any casino key employee or casino employee, except those approved by the Chairman, to work in the casino area (as defined above) without wearing their license credential in a conspicuous manner.

(c) The Casino Gaming Licensee shall provide each such employee with a holder for the Commission license credential which shall contain the name of the hotel/casino complex, a photograph of the employee, the employee position and title, shall numerically be controlled and shall permit the permanent display of the information contained on the license credential. Thirty (30) days prior to the use of any such holder, a Casino Gaming Licensee shall submit a prototype to the Commission along with a narrative description of the proposed manner in which the employee will be required to wear such holder.

(d) In those situations where a license credential is lost or destroyed, a casino key employee or casino employee may be authorized to enter the casino area to perform employment duties so long as:

- (1) The loss or destruction of the license is promptly reported in writing to the Commission;
- (2) The employee applies for a new license credential; and
- (3) Permission is received from a duly authorized Commission representative to do so.

(e) An application for renewal as a casino key employee or a casino employee shall be accompanied by an offer for continued employment by the Casino Gaming Licensee. The Casino Key Employee License and the Casino Employee license shall be valid for the remainder of the fiscal year in which it was applied for and renewed annually every October 1 thereafter, unless the license is sooner suspended or revoked, or the licensee's employment with the Casino Gaming Licensee has ended.

(f) All suppliers of the Casino Gaming Licensee while conducting business within the premise shall wear in plain view an identification card that identifies the supplier. Supplier identification cards shall be issued by the Commission.

§ 175-10.1-315 Application for Employee License. An application for a casino employee license or casino key employee license shall be made pursuant to Part 1900. The casino licensee shall not employ any person unless the requirements of Part 1900 and these Regulations have been met.

§ 175-10.1-320 Training Courses of Employees:

(a) The Casino Gaming Licensee shall provide for person(s) employed or to be employed in a casino, training courses relating to the playing of games, the conduct of games and associated activities in connection with the operations.

(b) All training courses shall be:

- (1) Conducted by the casino operator or, with the approval of the Commission, by the nominee of the casino operator; and
- (2) Of such content, format, and duration as approved by the Commission.
- (3) Offered, to the extent possible by the casino licensee, to prospective applicants of the Commonwealth on a periodic basis as approved by the Commission.

(c) The successful completion of an approved training course is a prerequisite for:

- (1) The issuance of casino key employee license or a casino employee license; or
- (2) the approval of the Commission to making of an amendment (and such amendment being made) in a licensee in respect to the type of work performed or to be performed by the licensee and for employment of the licensee in the type of work specified in the license, either in the first instance pursuant to the amendment, unless

the licensee is qualified by the experience, satisfactory to the Commission, appropriate to the type of work to be performed by him as a licensee.

(d) A casino operator may conduct gaming on a simulated basis for the purpose of training employees, testing gaming equipment, and gaming procedures and demonstrating the conduct and playing of games provided:

- (1) it has obtained the prior approval of the Commission;
- (2) is monitored by the Commission; and,
- (3) has paid all required fees as determined by the Commission.

Part 400 APPLICATION PROCEDURE:

§ 175-10.1-401 Receipt

§ 175-10.1-405 Filing

§ 175-10.1-410 Processing

§ 175-10.1-415 Public Inspection of Information

§ 175-10.1-420 Amendment

§ 175-10.1-425 Withdrawal

§ 175-10.1-540 Reapplication by Natural Person after Denial or Revocation

§ 175-10.1-401 Receipt. All application papers, unless otherwise directed by the Commission or these Regulations, shall initially be submitted to and received by the Executive Director, or such members of the Commission staff as the Executive Director may designate.

§ 175-10.1-405 Filing:

(a) The Executive Director, or such members of the Commission staff as the Executive Director may designate, shall determine the date of filing as to each application received and shall issue cause to be endorsed thereon the date of such filing. No application shall deem filed until the applicant satisfies all appropriate requirements, to wit:

(1) That all papers presented conform to all requirements relating to format, signature, oath or affirmation, attorney certification, and copies;

(2) That all appropriate application, business entity disclosure forms, personal history disclosure forms, and supplemental to personal history disclosure forms have been properly completed and presented;

(3) That all required consents, waivers, fingerprint impressions, photographs, and handwriting exemplars have been properly presented;

(4) That all other information, documentation, assurances, and other materials required or requested at that preliminary stage pertaining to qualifications have been properly presented; and

(5) That all required fees have been properly paid and all required bonds have been properly furnished.

(b) Notwithstanding the foregoing, until April 1, 2016, the Executive Director may accept an application which lacks the required fingerprint impressions or handwriting exemplar provided that the applicant supplies the missing material within thirty (30) days of Commission's receipt of the application.

§ 175-10.1-410 Processing. Upon a determination that all prerequisites for filing have been met, the Executive Director, or such members of the Commission staff as the Executive Director shall designate may:

(a) Accept the application for filing and cause same to be docketed by the Executive Director.

(b) Notify the applicant or his attorney, if any, in writing, of the fact that the application has been accepted for filing and docketed, the date of such acceptance for filing and the docket number thereof. The Executive Director shall also give notice that such acceptance and docketing shall constitute no evidence whatsoever that any requirement of the act or the regulations of the Commission have been satisfied.

(c) Direct the staffs of the Commission to analyze, obtain, and evaluate such information of either a factual nature or otherwise as may be necessary to determine the qualifications of the applicant and any other matter relating to the application.

§ 175-10.1-415 Public Inspection of Information. No information in the possession of the Commission relating to any application shall be made available for public inspection prior to the time that the said application shall be accepted for filing and docketed in accordance with the rules and regulations. Thereafter, the Commission may release information to the public on its own initiative or upon proper request as may be required by law.

§ 175-10.1-420 Amendment. It shall be the duty of each applicant to promptly file with the Commission, or such members of the Commission staff as the Executive Director shall designate, a written amendment to the application explaining any changed facts or circumstances whenever any material or significant change of facts or circumstances shall occur with respect to any matter set forth in the application or other papers relating thereto. Any applicant may be permitted by the Executive Director or designee to file any other amendment to the application at any time prior to final action made by the Commission.

§ 175-10.1-425 Withdrawal:

(a) Except as otherwise provided in (b) below, a written notice of withdrawal of application may be filed by any applicant at any time prior to final Commission action. No application shall be permitted to be withdrawn, however, unless the applicant shall have first established to the satisfaction of the Commission that withdrawal of the application would be consistent with the public interest and the policies of the Act. Unless the Commission shall otherwise direct, no fee or other payment relating to any

application shall become refundable in whole or in part by reason of withdrawal of the application. The Commission shall not direct the refunding, in whole or in part, of any fee or other payment relating to any application unless the Commission determines that the refunding of the fee is in the best interest of the Commonwealth.

(b) Where a hearing on an application has been requested by a party or directed by the Commission, the Commission shall not permit withdrawal of said application after:

- (1) The application matter has been assigned to any other hearing examiner authorized by law or these Regulations to hear such matter; or
- (2) The Commission has made a determination to hear the application matter directly.

(c) Notwithstanding the foregoing, the Commission may accept and consider written notice of withdrawal after the time specified herein if extraordinary circumstances so warrant.

§ 175-10.1-430 Reapplication by Natural Person after Denial or Revocation:

(a) Any natural person required to be licensed, qualified, registered or approved under the provisions of the Act or regulations of the Commission whose licensure, qualifications, registration or approval is either denied or revoked by the Commission on the basis of that person's failure to satisfy the affirmative qualification criteria, or due to a Commission finding that such person is disqualified under the criteria, or both, may reapply for licensure, qualification, registration or approval provided the applicant complies with the requirements of (b) below.

(b) Any natural person whose licensure, qualification, registration or approval is denied or revoked by the Commission on the basis of any of the following enumerated provisions of the Act or regulations of the Commission may reapply, in accordance with the procedure set forth in (c) below, for licensure, qualification, registration or approval upon satisfaction of the conditions specified herein:

(1) Lack of financial stability: Reapplication is permitted upon said person achieving status of financial stability;

(2) Lack of business ability and casino experience: reapplication is permitted upon said person acquiring the requisite business ability and casino experience;

(3) Failure to satisfy age requirement: Reapplication is permitted upon said person attaining the requisite age or upon a Commission finding that such age will be attained prior to the completion of the processing of said reapplication;

(4) Conviction of statutory disqualifier or inimical offenses: Reapplication is permitted after the lapsed of five years from the date of denial or upon the issuance of a judicial order of expungement, whichever occurs first;

(5) Prosecution or pending charges related to statutory disqualifier: reapplication is permitted upon the disposition of the prosecution or pending charges against such person.

(c) If the licensure, qualification, registration or approval of any natural person has

been denied or revoked on the basis of two (2) or more statutory or regulatory provisions, reapplication shall only be permitted upon compliance with the requirements of this regulation as to each statutory or regulatory provision which the Commission found to be a basis for such denial or revocation.

(d) This regulation applies with equal force and effect to the denial of any application by a natural person for licensure, qualifications, or approval, and to any denial of any reapplication for licensure, qualification, registration or approval permitted under the provisions of this regulation.

Part 500 ACCOUNTING REGULATIONS:

§ 175-10.1-501	Commission Divisions
§ 175-10.1-505	Commission Audit Procedures
§ 175-10.1-510	Procedure for reporting and paying gaming taxes and fees
§ 175-10.1-515	Accounting records
§ 175-10.1-520	On-line slot metering systems
§ 175-10.1-525	Records of ownership
§ 175-10.1-530	Record retention; noncompliance
§ 175-10.1-535	Audited financial statements
§ 175-10.1-540	Financial statements: Other Licensees
§ 175-10.1-545	Internal control for casino licensees
§ 175-10.1-550	Gross revenue computations
§ 175-10.1-555	Uncollected baccarat commissions
§ 175-10.1-560	Minimum Bankroll Requirements
§ 175-10.1-565	Treatment of credit for purposes of computing gross revenue
§ 175-10.1-570	Handling of Cash
§ 175-10.1-575	Mandatory count procedure
§ 175-10.1-580	Petitions for redetermination; procedures
§ 175-10.1-585	Claims for refunds; procedures

§ 175-10.1-501 Commission Divisions: The Commission shall organize and maintain a Division of Administration, a Division of Enforcement & Investigations, and a Division of Audit & Compliance.

§ 175-10.1-505 Commission audit procedures:

(a) The Division of Audit & Compliance will have the authority, among other tasks assigned by the Executive Director to:

- (1) conduct periodic audits or reviews of the books and records of licensees;
- (2) review the accounting methods and procedures used by licensees;
- (3) review and observe methods and procedures used by licensees to count and handle cash, chips, tokens, negotiable instruments, and credit instruments;
- (4) examine the licensees' records and procedures in extending credit, and to confirm with gaming patrons the existence of an amount of debt and any settlement thereof;

- (5) examine and review licensees' internal control procedures;
- (6) examine all accounting and bookkeeping records and ledger accounts of the licensee or a person controlling, controlled by, or under common control with the licensee;
- (7) examine the books and records of any licensee when conditions indicate the need for such action or upon the request of the Chairman or the Commission; and,
- (8) investigate each licensee's compliance with the Act and the Regulations of the Commission.

(b) The Division of Audit & Compliance shall at the request of the Executive Director conduct each audit in conformity with the statements on auditing standards. The Audit and Compliance division shall prepare an appropriate report at the conclusion of each audit and shall submit a copy of the report to the Commission.

(c) At the conclusion of each audit or review, the Division of Audit & Compliance or other applicable division shall confer with and go over the results of the audit or review with the licensee. The licensee may, within ten (10) days of the conference, submit written reasons why the results of the audit or review should not be accepted. The Commission shall consider the submission prior to its determination.

(d) When the Division of Audit & Compliance or any other division finds that the licensee is required to pay additional fees or taxes or finds that the licensee is entitled to a refund of fees or taxes, it shall report its findings, and the legal basis upon which the findings are made, to the Commission and to the licensee in sufficient detail to enable the Commission to determine if an assessment or refund is required.

(e) Ordinarily, the Casino Gaming licensee will not pay the costs of the audit. If the Executive Director determines that the audit will require excessive costs, such excessive costs shall be paid by the Casino Gaming licensee. If the audit reveals and the Executive Director determines that amounts were deliberately misreported, underreported or mischaracterized, the Casino Gaming licensee shall, in addition to any penalty which may be imposed, pay the costs of the audit and investigation.

(f) The Commission may require that a Casino Service Provider pay the costs of the audit.

§ 175-10.1-510 Procedure for reporting and paying gaming taxes and fees:

(a) Unless the Commission establishes another procedure, taxes and, fees which are to be paid to the Treasurer, and all reports relating thereto which are required under the Act and the Regulations must be received by the Commonwealth Treasurer with an original receipt provided to the Commission not later than the due date specified by law or regulation, except that the taxes and reports shall be deemed to be timely filed if the Casino Gaming Licensee or Casino Service Provider demonstrates to the satisfaction of the Commission that they were deposited in a United States post office or mailbox, with first-class postage prepaid, and properly addressed to the Commonwealth

Treasurer, within the time allowed for payment of the taxes. The original receipt must be promptly forwarded to the Commission.

(b) Unless the Commission establishes another procedure, fees which are to be paid to the Commission and all reports relating thereto must be received by the Commission not later than the due date specified by law or regulation, except that the fees and reports shall be deemed to be timely filed if the Casino Gaming Licensee or Casino Service Provider demonstrates to the satisfaction of the Commission that they were deposited in a United States post office or mailbox, with first-class postage prepaid, and properly addressed to the Commission, as the case may be, within the time allowed for payment of the taxes.

(c) The Casino Gaming Licensee or Casino Service Provider licensee may elect to report and pay its fees, and file all reports relating thereto, via check or pursuant to an electronic transfer procedure approved by the Commission.

§ 175-10.1-515 Accounting records:

(a) The Casino Gaming Licensee, and each other licensee, in such manner as the Chairman may approve or require, shall keep accurate, complete, legible, and permanent records of all transactions pertaining to revenue that is taxable or subject to fees under the Commonwealth Code and these Regulations. Each licensee that keeps permanent records in a computerized or microfiche fashion shall provide the Division of Audit & Compliance, or the Department of Finance's applicable tax and license division, upon request, with a detailed index to the microfiche or computer record that is indexed by department and date.

(b) The Casino Gaming Licensee shall keep general accounting records on a double entry system of accounting, maintaining detailed, supporting, subsidiary records, including:

1. Detailed records identifying all revenues, all expenses, all assets, all liabilities, and equity for each establishment;

2. Detailed records of all markers, IOU's, returned checks, hold checks, or other similar credit instruments accepted by the licensee;

3. Individual and statistical game records to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop by table for each table game, and to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop for each type of table game, either by each shift or other accounting period approved by the Commission, and individual and statistical game records reflecting similar information for all other games;

4. Slot analysis reports which, by each machine, compare actual hold percentages to theoretical hold percentages;

5. Journal entries prepared by the licensee and its independent accountant;

6. All information pertaining to any promotional, discount, or VIP service type programs;

7. All information pertaining to any junket or junket-type operators or programs

including, but not limited to all contracts and agreements of any kind, all money schedules, settlement sheets, and reports or written communications of any kind between the licensee and any junket operator, junket player or junket patron of any type.

8. Any other records that the Commission specifically requires to be maintained.

(c) The Casino Gaming Licensee shall create and maintain records sufficient to accurately reflect gross income and expenses relating to its operations which are subject of these Regulations. Every other licensee shall create and maintain records sufficient to accurately reflect gross income and expenses relating to its operations which are subject of these Regulations.

(d) If the Casino Gaming Licensee fails to keep the records used by it to calculate gross gaming revenue, the Commission may compute and determine the amount of taxable revenue upon the basis of an audit conducted by the Division of Audit & Compliance, or any other division, upon the basis of any information within the Commission's possession, or upon statistical analysis.

(e) Casino Employee or Casino Key Employee licensees must maintain such revenue and tax records as the Commission requires be maintained, in addition to any records required by the Department of Finance.

§ 175-10.1-520 On-line slot metering systems. The Casino Gaming Licensee shall install and thereafter maintain an automated or on-line slot metering system meeting the specifications determined by the Commission, as applicable to its operation, unless a specification is waived by the Commission.

§ 175-10.1-525 Records of ownership:

(a) Each corporate licensee or corporate owner of a Casino Gaming Licensee shall keep on the premises of the Casino Gaming Licensee, or shall provide to the Division of Audit & Compliance, the Division of Enforcement & Investigations, or the Division of Administration, upon request, the following documents pertaining to the corporation:

- (1) A certified copy of the articles of incorporation and any amendments;
- (2) A copy of the bylaws and any amendments;
- (3) A copy of the license issued by the Commonwealth Secretary of Finance authorizing the corporation to transact business in the Commonwealth
- (4) A list of all current and former officers and directors;
- (5) Minutes of all meetings of the stockholders which pertain to the Casino Gaming Licensee;
- (6) Minutes of all meetings of the directors which pertain to the Casino Gaming Licensee;
- (7) A list of all stockholders listing each stockholder's name, address, the number of shares held, and the date the shares were acquired;
- (8) The stock certificate ledger;
- (9) A record of all transfers of the corporation's stock; and

(10) A record of amounts paid to the corporation for issuance of stock and other capital contributions.

(b) Each partnership licensee shall keep on the premises of its gaming establishment, or provide to the Division of Audit & Compliance, the Division of Enforcement & Investigations, or the Division of Administration, upon request, the following documents pertaining to the partnership:

(1) A copy of the partnership agreement and, if applicable, the certificate of limited partnership;

(2) A list of the partners, including their names, addresses, the percentage of interest held by each, the amount and date of each capital contribution of each partner, the date the interest was acquired, and the salary paid by the partnership; and

(3) A record of all withdrawals of partnership funds or assets.

(c) Each Casino Gaming Licensee which is a LLC licensee shall keep on the premises of its establishment, or shall provide to Division of Audit & Compliance, the Division of Enforcement & Investigations, or the Division of Administration, upon request, the following documents pertaining to the LLC:

(1) A certified copy of the articles of organization and any amendments;

(2) A copy of the operating agreement and any amendments;

(3) A copy of the license issued by the Commonwealth Secretary of Commerce authorizing the LLC to transact business in the Commonwealth

(4) A list of all current and former Members and Managers;

(5) Minutes of all meetings of the Members;

(6) Minutes of all meetings of the LLC;

(7) A list of all persons with any distributional interest in the LLC listing each person's name, address, the percentage of distributional interest owned or controlled by the person, and the date the interest was acquired;

(8) The stock certificate ledger;

(9) A record of all transfers of any beneficial interest in the LLC; and

(10) A record of amounts paid to the LLC as capital contributions.

(d) The operating agreement of any limited liability company which has been granted a casino gaming license, must be in writing and shall include any language required by the Commonwealth Casino Commission by Order as well as language substantially as follows:

(1) Notwithstanding anything to the contrary expressed or implied in the articles or this agreement, the sale, assignment, transfer, pledge or other disposition of any interest in the limited-liability company is ineffective unless approved in advance by the Commonwealth Casino Commission. If at any time the Commission finds that a member which owns any such interest is unsuitable to hold that interest, the Commission shall immediately notify the limited-liability company of that fact. The limited-liability company shall, within 10 days from the date that it receives the notice from the Commission, return to the unsuitable member the amount of his capital

account as reflected on the books of the limited-liability company. Beginning on the date when the Commission serves notice of a determination of unsuitability, pursuant to the preceding sentence, upon the limited-liability company, it is unlawful for the unsuitable member: (A) To receive any share of the distribution of profits or cash or any other property of, or payments upon dissolution of, the limited-liability company, other than a return of capital as required above; (B) To exercise directly or through a trustee or nominee, any voting right conferred by such interest; (C) To participate in the management of the business and affairs of the limited-liability company; or (D) To receive any remuneration in any form from the limited-liability company, for services rendered or otherwise.

(2) Any member that is found unsuitable by the Commission shall return all evidence of any ownership in the limited-liability company to the limited-liability company, at which time the limited-liability company shall within 10 days, after the limited-liability company receives notice from the Commission, return to the member in cash, the amount of his capital account as reflected on the books of the limited-liability company, and the unsuitable member shall no longer have any direct or indirect interest in the limited-liability company."

§ 175-10.1-530 Record retention; noncompliance. Each licensee shall provide the Division of Audit & Compliance, the Division of Enforcement & Investigations, or the Division of Administration, upon request, with the records required to be maintained by these Regulations. Unless the Commission approves or requires otherwise in writing, each licensee shall retain all such records within the Commonwealth for at least five (5) years after they are made. Failure to keep and provide such records is an unsuitable method of operation.

§ 175-10.1-535 Audited financial statements Casino Licensees:

(a) The Casino Gaming Licensee shall prepare in such manner and using such forms as the Commission may approve or require, a financial statement covering all financial activities of the licensee's establishments for each fiscal year. If the Casino Gaming Licensee or a person controlling, controlled by, or under common control with the Casino Gaming Licensee owns or operates room, food, or beverage facilities at the establishments, the financial statement must cover those operations as well as gaming operations. Each Casino Gaming Licensee shall engage an independent certified public accountant who shall audit the licensee's financial statements in accordance with generally accepted auditing standards.

(b) The Commission shall receive the statements not later than ninety (90) days after the last day of the licensee's business year. The Commission may share such statements with any government agency upon request. The Commission may post such statements, in whole or in part, on its website in its sole and absolute discretion.

(c) Consolidated financial statements may be filed by commonly owned or operated establishments, but the consolidated financial statements must include consolidating financial information or consolidating schedules presenting separate financial

statements for each establishment. The independent accountant shall express an opinion on the consolidated financial statements as a whole and shall subject the accompanying consolidating financial information to the auditing procedures applied in the audit of the consolidated financial statements.

(d) Each Casino Gaming Licensee shall submit to the Commission five (5) paper copies of its audited or reviewed financial statements and shall transmit electronically one copy.

(e) Unless the Commission approves otherwise in writing, in the event of a license termination, change in business entity, or a change in the percentage of ownership of more than ten percent (10%), the casino licensee or former casino licensee shall, not later than ninety (90) days after the event, submit to the Commission five (5) paper copies of audited or reviewed financial statements covering the period since the period covered by the previous financial statement and one electronic copy of the same. If a license termination, change in business entity, or a change in the percentage of ownership of more than ten percent (10%) occurs within ninety (90) days after the end of a business year for which a financial statement has not been submitted, the licensee may submit financial statements covering both the business year and the final period of business.

(f) If a licensee changes its business year, the licensee shall prepare and submit to the Commission audited or reviewed financial statements covering the "stub" period from the end of the previous business year to the beginning of the new business year not later than ninety (90) days after the end of the stub period or incorporate the financial results of the stub period in the financial statements for the new business year.

(g) Reports that communicate the results of the audit or review, including management advisory letters or activities not related to the gaming operation, must be submitted within ninety (90) days after the end of the licensee's business year.

(h) The Commission may request additional information and documents from either the licensee or the licensee's independent accountant, through the licensee, regarding the financial statements or the services performed by the accountant. Failure to submit the requested information or documents is an unsuitable method of operation.

§ 175-10.1-540 Financial statements: Other Licensees The Commission may require financial statements, audited or otherwise, from other licensees as the Commission deems appropriate.

§ 175-10.1-545 Internal control for casino licensees. As used in this section, "licensee" means the Casino Gaming Licensee and "chairman" means the chairman or other member of the Commission.

(a) The licensee shall establish administrative and accounting procedures for the purpose of determining the licensee's liability for taxes and fees under the Commonwealth Code and these Regulations and for the purpose of exercising

effective control over the licensee's internal fiscal affairs. The procedures must be designed to reasonably ensure that:

1. Assets are safeguarded;
2. Financial records are accurate and reliable;
3. Transactions are performed only in accordance with management's general or specific authorization;
4. Transactions are recorded adequately to permit proper reporting of gaming revenue and of fees and taxes, and to maintain accountability for assets;
5. Access to assets is permitted only in accordance with management's specific authorization;
6. Recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to any discrepancies; and,
7. Functions, duties, and responsibilities are appropriately segregated and performed in accordance with sound practices by competent and qualified personnel.

(b) The licensee shall describe, in such manner and as often as the chairman may approve or require, its administrative and accounting procedures in detail in a written system of internal control. Each licensee shall submit a copy of its written system to the Commission. Each written system must include:

1. An organizational chart depicting each position within the company;
2. A description of the duties and responsibilities and procedures to be followed by each position shown on the organizational chart;
3. A detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of subsection (a);
4. A written statement signed by the licensee's chief financial officer and either the licensee's chief executive officer or a licensed owner attesting that the system satisfies the requirements of this section;
5. If the written system is submitted by an applicant, a letter from an independent accountant stating that the applicant's written system has been reviewed by the accountant and complies with the requirements of this section; and
6. Such other items as the Commission may require.

(c) The Commission may adopt and order minimum standards for internal control procedures that in the Commission's opinion satisfy subsections (a) and (b). Topics for the Commission's minimum standards for internal control may include any subject the Commission deems necessary including, but not limited to: Key Controls, Rules of the Game, Table Games, Electronic Gaming Devices, Poker Rooms, Drops and Counts, Casino Cashiering And Credit, Casino Accounting, Admissions and Ticketing, Currency Transaction Reporting, Internal Audits, Surveillance, Security, Purchasing and Contract Administration, Excluded Persons, Self-Excluded Persons, Forms, Management Information Systems (MIS), and Tips. The licensee may not implement a

system of internal control procedures that does not satisfy the minimum standards.

(d) Each licensee shall require the independent accountant engaged by the licensee to examine the financial statements or to review the licensee's financial statements to submit to the licensee two (2) copies of a written report of the compliance of the procedures and written system with the minimum internal control standards. Using the criteria established by the Commission, the independent accountant shall report each event and procedure discovered by or brought to the accountant's attention that the accountant believes does not satisfy the minimum standards or variations from the standards that have been approved by the Commission pursuant to subsection (c). Not later than ninety (90) days after the end of the licensee's business year, the licensee shall submit a copy of the accountant's report or any other correspondence directly relating to the licensee's systems of internal control to the Commission accompanied by the licensee's statement addressing each item of noncompliance noted by the accountant and describing the corrective measures taken. Unless the chairman approves otherwise in writing, in the event of a license termination, change in business entity, or a change in the percentage of ownership of more than ten percent (10%), the licensee or former licensee shall, not later than ninety (90) days after the event, submit a copy of the accountant's report or any other correspondence directly relating to the licensee's systems of internal control to the Commission accompanied by the licensee's statement addressing each item of noncompliance noted by the accountant and describing the corrective measures taken covering the period since the period covered by the previous report. If a license termination, change in business entity, or a change in the percentage of ownership of more than ten percent (10%) occurs within ninety (90) days after the end of a business year for which a report has not been submitted, the licensee may submit a report covering both the business year and the final period of business.

(e) Before adding or eliminating a counter game; eliminating a table game; adding a table game; adding any computerized system that affects the proper reporting of gross revenue; adding any computerized system of betting at a race book or sports pool; or adding any computerized system for monitoring slot machines or other games, or any other computerized associated equipment, the licensee must:

1. Amend its accounting and administrative procedures and its written system of internal control to comply with the minimum standards;
2. Submit to the Commission a copy of the written system as amended, and a written description of the amendments signed by the licensee's chief financial officer and either the licensee's chief executive officer or a licensed owner;
3. Comply with any written requirements imposed by the Commission regarding administrative approval of computerized associated equipment; and
4. After subsections (1) through (3) have been complied with, implement the procedures and written system as amended.

(f) The licensee shall annually report any amendments to the licensee's procedures and written system that have been made since the previous annual report. The report

must include either a copy of the written system as amended or a copy of each amended page of the written system, and a written description of the amendments signed by the licensee's chief financial officer.

(g) If the Commission determines that the licensee's administrative or accounting procedures or its written system does not comply with the requirements of this section, the Commission shall so notify the licensee in writing. Within thirty (30) days after receiving the notification, the licensee shall amend its procedures and written system accordingly, and shall submit a copy of the written system as amended and a description of any other remedial measures taken.

(h) The licensee shall comply with its written system of internal control submitted pursuant to subsection (b) as it relates to compliance with the minimum standards, and any required equipment approvals.

(i) Failure to comply with 175-10.1-545 is an unsuitable method of operation.

(j) Using guidelines, checklists, and other criteria established by the Executive Director, the licensee's internal auditor shall perform observations, document examinations, and inquiries of employees to determine compliance with applicable statutes, regulations, and minimum internal control standards. Two copies of the internal auditor's report summarizing all instances of noncompliance and management responses must be submitted to the Commission within ninety (90) days after the end of the first six (6) months of the licensee's business year and must include all work required to be performed during that six (6) month period along with any additional procedures that were performed. Noncompliance noted in the second half of the business year must be submitted to the Commission within ninety (90) days after the end of the business year.

§ 175-10.1-550 Gross revenue computations:

(a) For each table game, gross revenue equals the closing table game bankroll plus credit slips for cash, chips, tokens, or personal/payroll checks returned to the casino cage, plus drop, less opening table game bankroll, fills to the table, money transfers issued from the game through the use of a cashless wagering system.

(b) For each slot machine, gross revenue equals drop less fills to the machine and jackpot payouts. Additionally, the initial hopper load is not a fill and does not affect gross revenue. The difference between the initial hopper load and the total amount that is in the hopper at the end of the licensee's fiscal year must be adjusted accordingly as an addition to or subtraction from the drop for that year. If a Casino Gaming Licensee does not make such adjustments, or makes inaccurate adjustments, the Division of Audit & Compliance may compute an estimated total amount in the slot machine hoppers and may make reasonable adjustments to gross revenue during the course of an audit.

- (c) For each counter game, gross revenue equals:
1. The counter games write on events or games that occur during the month or will occur in subsequent months, less counter games payout during the month ("cash basis"); or
 2. Counter games write on events or games that occur during the counter games write plus money, not previously included in gross revenue that was accepted by the licensee in previous months on events or games occurring during the month, less counter games payouts during the month ("modified accrual basis") to patrons on winning wagers.
- (d) For each card game and any other game in which the licensee is not a party to a wager, gross revenue equals all money received by the Casino Gaming Licensee as compensation for conducting the game.
- (e) In computing gross revenue for a slot machines, keno and bingo, the actual cost to the Casino Gaming Licensee, its agent or employee, or a person controlling, controlled by, or under common control with the licensee, of any personal property distributed as losses to patrons may be deducted from winnings (other than costs of travel, lodging, services, food, and beverages) if the licensee maintains detailed documents supporting the deduction.
- (f) If the Casino Gaming Licensee provides periodic payments to satisfy a payout resulting from a wager, the initial installment payment when paid and the actual cost of a payment plan approved by the Commission and funded by the licensee may be deducted from winnings. For any funding method which merely guarantees the licensee's performance and under which the licensee makes payments directly out of cash flow (e.g., irrevocable letters of credits, surety bonds, or other similar methods), the licensee may only deduct such payments when paid to the patron.
- (g) The Casino Gaming Licensee shall not exclude money paid out on wagers that are knowingly accepted by the licensee in violation of the Commonwealth Code or these regulations from gross revenue.
- (h) If in any month the amount of Casino Gross gaming Revenue is less than zero dollars (\$0.00), the licensee may deduct the excess in the succeeding months, until the loss is fully offset against Casino Gross Gaming Revenue.
- (i) Payout receipts and wagering vouchers issued at a game or gaming device, shall be deducted from gross revenue as jackpot payouts in the month the receipts or vouchers are issued by the game or gaming device. Payout receipts and wagering vouchers deducted from gross revenue that are not redeemed within sixty (60) days of issuance shall be included in gross revenue. An unredeemed payout receipt or wagering voucher previously included in gross revenue may be deducted from gross revenue in the month redeemed. For purposes of this section, the term "slot machine" means a gaming device for which gross revenue is calculated pursuant to the method described under section (b) above. Such receipts and wagering vouchers shall be

deemed expired if not redeemed on or before the expiration date printed on the payout receipt or wagering voucher or within 180 days of issuance, whichever period is less. Licensees may redeem expired receipts and wagering vouchers in their sole discretion but may not deduct amounts paid out from gross revenue.

- (j) A record of all expired payout receipts and wagering vouchers shall be created and maintained in accordance with the record keeping requirements set forth by the Commission.
- (k) Any amounts paid or rebated to players or patrons in the form of "comps", commissions or the like are a cost of doing business and shall not be deducted from gross revenue.

§ 175-10.1-555 Uncollected baccarat commissions:

(a) If the Casino Gaming Licensee does not collect baccarat commissions due from a patron at the conclusion of play and elects to waive payment, such action must be authorized and documented in accordance with subsection (b) hereof. The uncollected baccarat commission must still be included in gross revenue computations.

(b) Concurrently with the decision to not collect the baccarat commission, the licensee must record, in such manner and using such preprinted, pre-numbered forms as the Commission has approved:

1. Date, shift and time the licensee determined to not collect the baccarat commission;
2. The amount of the baccarat commission not collected;
3. The baccarat table number;
4. Patron name, if known;
5. The dealer's signature; and
6. A baccarat supervisor's signature.

(c) Such forms shall be sent to the accounting department at least every twenty four (24) hours and reconciled numerically to account for all forms. A form may be used to record more than one transaction; however each transaction must indicate all of the above required signatures. Descriptions of the forms and procedures utilized must be included in the licensee's submitted system of internal control.

(d) An uncollected baccarat commission that is not waived in accordance with this regulation shall be documented by a credit instrument that clearly indicates it represents an uncollected baccarat commission, and that conforms to all documentation and procedural requirements of the licensee's submitted system of internal control.

(f) Failure to comply with these regulations is an unsuitable method of operation.

§ 175-10.1-560 Minimum bankroll requirements:

(a) The Commission may adopt or revise a bankroll formula that specifies the minimum bankroll requirements applicable to the Casino Gaming Licensee, along with instructions for computing available bankroll.

(b) The Casino Gaming Licensee shall maintain in accordance with the bankroll formula adopted by the Commission pursuant to the requirements of this section, cash or cash equivalents in an amount sufficient to reasonably protect the licensee's patrons against defaults in gaming debts owed by the licensee. If at any time the licensee's available cash or cash equivalents should be less than the amount required by this section, the licensee shall immediately notify the Commission of this deficiency and shall also detail the means by which the licensee shall comply with the minimum bankroll requirements. Failure to maintain the minimum bankroll required by this section or failure to notify the Commission as required by this section, is an unsuitable method of operation.

(c) Records reflecting accurate, monthly computations of bankroll requirements and actual bankroll available shall be maintained by the Casino Gaming Licensee, and mailed to the Commission monthly.

§ 175-10.1-565 Treatment of credit for purposes of computing gross revenue:

(a) The Casino Gaming Licensee shall:

(1) Document, prior to extending gaming credit, that it:

- (i) Has received information from a bona fide credit-reporting agency that the patron has an established credit history that is not entirely derogatory; or
- (ii) Has received information from a legal business that has extended credit to the patron that the patron has an established credit history that is not entirely derogatory; or
- (iii) Has received information from a financial institution at which the patron maintains an account that the patron has an established credit history that is not entirely derogatory; or
- (iv) Has examined records of its previous credit transactions with the patron showing that the patron has paid substantially all of his credit instruments and otherwise documents that it has a reasonable basis for placing the amount or sum placed at the patron's disposal; or
- (v) Was informed by another licensee that extended gaming credit to the patron that the patron has previously paid substantially all of the debt to the other licensee and the licensee otherwise documents that it has a reasonable basis for placing the amount or sum placed at the patron's disposal; or
- (vi) If no credit information was available from any of the sources listed in subparagraphs (i) through (v) for a patron who is not a resident of the United States, the licensee has received, in writing, information from an agent or employee of the licensee who has personal knowledge of the patron's credit reputation or financial

resources that there is a reasonable basis for extending credit in the amount or sum placed at the patron's disposal;

(vii) In the case of personal checks, has examined and has recorded the patron's valid driver's license or, if a driver's license cannot be obtained, some other document normally acceptable as a means of identification when cashing checks, and has recorded a bank check guarantee card number or credit card number or has documented one of the credit checks set forth in subparagraphs (1) through (vi);

(viii) In the case of third party checks for which cash, chips, or tokens have been issued to the patron or which were accepted in payment of another credit instrument, has examined and has recorded the patron's valid driver's license, or if a driver's license cannot be obtained, some other document normally acceptable as a means of identification when cashing checks and has, for the check's maker or drawer, performed and documented one of the credit checks set forth in subparagraphs (i) through (vi);

(ix) In the case of guaranteed drafts, has complied with the issuance and acceptance procedures promulgated by the issuer.

(2) Ensure that the patron to whom the credit is extended either signs the credit instrument when credit is extended;

(3) Obtain and record the patron's address before extending the credit.

(b) The Casino Gaming Licensee shall, after extending credit, document that it has attempted to collect payment from the patron once every thirty (30) days from the date issuance of the credit until it is collected.

(c) The Casino Gaming Licensee shall furnish the credit instrument to the Commission within thirty (30) days after the Commission's request, unless the licensee has independent, written, and reliable verification that the credit instrument is in the possession of a court, governmental agency, or financial institution; has been returned to the patron upon partial payment of the instrument; has been returned to the patron upon the licensee's good faith belief that it had entered into a valid settlement and the licensee provides a copy of the original credit instrument and a document created contemporaneously with the settlement that contains the information required by this section; has been stolen and the licensee has made a written report of the theft to an appropriate law enforcement agency, other than the Commission having jurisdiction to investigate the theft; or the chairman waives the requirements of the subsection because the credit instrument cannot be produced because of any other circumstances beyond the licensee's control.

(1) Theft reports made pursuant to this paragraph must be made within thirty (30) days of the licensee's discovery of the theft and must include general information about the alleged crime, the amount of financial loss sustained, the date of the alleged theft, and the names of employees or agents of the licensee who may be contacted for further information. The licensee shall furnish to the Division of Audit & Compliance a copy of theft reports made pursuant to this paragraph within thirty (30) days of its request.

(2) If the licensee has returned a credit instrument upon partial payment, consolidation, or redemption of the debt, it shall issue a new "substituted" credit

instrument in place of the original and shall furnish the substituted credit instrument to the Commission within thirty (30) days of its request, unless the licensee has independent, written, and reliable verification that the substituted credit instrument cannot be produced because it is in the possession of a court, governmental agency, or financial institution; has been stolen and the licensee has made a written report of the theft to an appropriate law enforcement agency, other than the Commission, having jurisdiction to investigate the theft; or the Commission waives the requirements of this subparagraph because the substituted credit instrument cannot be produced because of any other circumstances beyond the licensee's control.

(d) The Casino Gaming Licensee shall submit a written report of a forgery, if any, of the patron's signature on the instrument to an appropriate law enforcement agency, other than the Commission, having jurisdiction to investigate the forgery. The report must include general information about the alleged crime, the amount of financial loss sustained, the date of the alleged forgery, and identification of employees or agents of the licensee who may be contacted for further information. The licensee shall furnish a copy of forgery reports made pursuant to this paragraph to the Division of Audit & Compliance and the Division of Enforcement & Investigations within 30 days of its request.

(e) The Casino Gaming Licensee shall permit the Commission within thirty (30) days of its request to confirm in writing with the patron the existence of the debt, the amount of the original credit instrument, and the unpaid balance, if any.

(f) The Casino Gaming Licensee shall retain all documents showing, and otherwise make detailed records of, compliance with this subsection, and furnish them to the Division of Audit & Compliance within thirty (30) days after its request.

(g) The Casino Gaming Licensee shall include in gross revenue all or any portion of any paid balance on any credit instrument.

(h) The Casino Gaming Licensee shall include in gross revenue all of an unpaid balance on any credit instrument unless the Commission determines that, with respect to that credit instrument, the licensee has complied with the requirements of this Part and these Regulations and that the public interest will be served if the unpaid balance is not included in gross revenue.

§ 175-10.1-570 Handling of cash. Each gaming employee, owner, or licensee who receives currency of the United States (other than tips or gratuities) from a patron in the gaming area of a gaming establishment shall promptly place the currency in the locked box in the table or, in the case of a cashier, in the appropriate place in the cashier's cage, or on those games which do not have a locked box or on card game tables, in an appropriate place on the table, in the cash register, or other repository approved by the Commission.

§ 175-10.1-575 Mandatory count procedure:

(a) The Casino Gaming Licensee shall report annually to the Commission, on or before July 1st, the time or times when drop boxes will be removed and the times the contents will be counted. All drop boxes must be removed and counted at the time or times previously designated to the Commission. Removal and counting of drop box contents at other than the designated times is prohibited unless the licensee provides advance written notice to the Commission of a change in times or the Commission requires a change of authorized times.

(b) Within ten (10) days after the end of each month, the Casino Gaming Licensee shall submit to the Commission a list of employees authorized to participate in the count and those employees who are authorized to be in the count room during the count ("count personnel list") during and as of the end of the calendar quarter. The count personnel list shall indicate those persons, if any, who hold an interest in the Casino Gaming License and shall indicate what relationship by blood or marriage, if any, exists between any person on such list or any interest holder or employee of the gaming establishment. The count personnel list shall also indicate the license number of each count employee and the job position held by each count employee.

§ 175-10.1-580 Petitions for redetermination; procedures:

(a) A licensee filing a petition for redetermination with the Commission shall serve a copy of the petition on the Executive Director, the Secretary of Finance and the Attorney General, and pay the Petition fee listed in § 175-10.1-1225(e)(2).

(b) A licensee shall, within thirty (30) days after the petition is filed:

1. Pay all taxes, fees, penalties, or interest not disputed in the petition and submit a schedule to the Division of Audit & Compliance that contains its calculation of the interest due on non-disputed assessments;

2. File with the Commission a memorandum of points and authorities in support of a redetermination, and serve a copy of the memorandum on the Executive Director, the Secretary of Finance and the Attorney General; and

(3) File with the Commission a certification that it has complied with the requirements of paragraphs (a) and (b).

(c) The Executive Director shall, within thirty (30) days after service of the licensee's memorandum, file a memorandum of points and authorities in opposition to the licensee's petition and shall serve a copy on the licensee. The licensee may, within fifteen (15) days after service of the Executive Director's memorandum, file a reply memorandum.

(d) The Executive Director and the licensee may stipulate to extend the time periods specified in this section if their stipulation to that effect is filed with the Commission before the expiration of the pertinent time period. The Commission may extend the time periods specified in this section upon motion and for good cause shown.

(e) The Commission may, at its discretion, deny a petition for redetermination if the licensee fails to comply with the requirements of this section or these Regulations.

§ 175-10.1-585 Claims for refunds; procedures:

(a) A licensee filing a claim for refund with the Commission shall serve a copy of the claim on the Executive Director, the Secretary of Finance and the Attorney General.

(b) A licensee shall, within thirty (30) days after the claim is filed, file with the Commission a memorandum of points and authorities in support of the claim, setting forth the legal basis and the licensee's calculations of the amount of the refund and any interest due thereon, and serve a copy of the memorandum on the Executive Director, the Secretary of Finance and the Attorney General, and file with the Commission a certification that it has complied with the requirements of this paragraph.

(c) The Executive Director shall, within thirty (30) days after service of the licensee's memorandum, file a memorandum of points and authorities in opposition to the licensee's claim and shall serve a copy on the licensee. The licensee may, within fifteen (15) days after service of the Executive Director's memorandum, file a reply memorandum.

(d) The Executive Director and the licensee may stipulate to extend the time periods specified in this section if their stipulation to that effect is filed with the Commission before the expiration of the pertinent time period. The commission may extend the time periods specified in this section upon motion and for good cause shown.

Part 600 CASINO LICENSE:

§ 175-10.1-601	Commission Authority over Casino License
§ 175-10.1-605	Term of The Casino License
§ 175-10.1-610	Annual License Fee
§ 175-10.1-615	Pre-payments of Annual License Fee
§ 175-10.1-620	Licensee Assurances
§ 175-10.1-625	Development sites
§ 175-10.1-630	Integrated Resort (Phase One)
§ 175-10.1-635	Initial Gaming Facility
§ 175-10.1-640	Development Requirements (Phase One)
§ 175-10.1-645	Development Proposal Requirements (Phase Two)
§ 175-10.1-650	Liquidated Damages
§ 175-10.1-655	Local Training and Hiring Requirement
§ 175-10.1-660	Requirement for Compliance with Applicable Laws
§ 175-10.1-665	Transfer Assignment or Encumbrance Prohibited
§ 175-10.1-670	License Suspension or Revocation

§ 175-10.1-601 Commission Authority over The Casino License. The Commission

has the authority for the approval of all casino operations and gaming activities conducted under the casino license granted by the Lottery Commission including, but not limited to the establishment of gaming rules and regulations. The authority of the Commission includes the ability to modify, suspend or revoke the Casino License for violation of the Regulations or the Act.

§ 175-10.1-605 Term of The Casino License:

(a) The Casino License is valid for an initial term of twenty five years starting on the License Issuance Date of August 12, 2014 and ending at 11:59 p.m. on August 11, 2039.

(b) The casino licensee has an option to extend the initial term for an additional consecutive period of fifteen years prior to the expiration of the initial term.

§ 175-10.1-610 Annual License Fee:

(a) The Annual License Fee for The Casino License shall be fifteen million dollars.

(b) The Annual License Fee shall be paid every year to the Commonwealth Treasurer each August 12th for the entire term of The Casino License, except for any pre-payments of the Annual License Fee for any particular year as required by law or other agreement, in which case payment for such particular year will not be required.

(c) The Annual License Fee amount shall be adjusted every five years based on the cumulative change in the Consumer Price Index announced by the Commonwealth Department of Commerce for the island of Saipan since the License Issuance Date.

§ 175-10.1-615 Pre-payments of Annual License Fee:

(a) Pursuant to Public Law 18-56, the Licensee has prepaid \$30,000,000 of The Annual License fees reflecting payments of year one and prepayment of year five of the license term.

(b) Licensee shall pay \$5,000,000 of the Annual License Fee for the second year within 15 days after the Commission authorizes the Temporary Live Training Facility and the remaining \$10,000,000 of the Annual License Fee for the second year within 15 days of the execution of the public land lease between the Department of Public Lands and Licensee for the area commonly known as the Samoan Housing in Garapan for construction of the Initial Gaming Facility referred to in 175-10.1-635. Both payments shall be made prior to August 12, 2015 and shall comprise full payment for the second year of the Annual License Fee.

(c) Additionally, the Licensee agrees to make a pre-payment of the Annual License Fee for the eighth year of the License Term, being a minimum of \$15,000,000 within sixty days from the opening of the Initial Gaming Facility referred to in § 175-10.1-635.

(d) In every case of pre-payment of the Annual License Fee for any particular year, there will be no requirement for payment of the Annual License Fee for such particular year except for any adjustment based on the change in the Consumer Price Index referred to in § 175-10.1-610(c).

§ 175-10.1-620 Licensee Assurances:

(a) The award of the Casino License to Imperial Pacific International (CNMI) LLC as a Licensee was based on the information and assurances provided by the Licensee in: (1) the casino resort developer application that was submitted by the Licensee in April 2014; (2) the subsequent business plan that was submitted in May 2014 ("Business Plan"), and information provided to Commonwealth Consultants (collectively "Licensee Proposal and Assurances"). The Commonwealth has relied on the accuracy and trustworthiness of the Licensee Proposal and Assurances in the awarding of The Casino License and they were incorporated as a material element of the Casino License Agreement.

(b) All of the terms, promises and assurances provided in the Licensee Proposal and Assurances are binding on Imperial Pacific International (CNMI) LLC, as the Casino Gaming Licensee. These terms, promises and assurances include, but are not limited to the following specific proposed new construction development requirements:

- (1) 2,004 hotel guest rooms;
- (2) 17,000 square meters of total gaming floor area;
- (3) 13,532 square meters of food and beverage outlets (at least 23 outlets);
- (4) 15,000 square meters of retail space;
- (5) 600 seat theatre;
- (6) 9,094 square meters of meeting space including ballroom;
- (7) wedding chapel;
- (8) 200 villas;
- (9) 1,050 square meters of fitness area;
- (10) \$100 million themed entertainment facility; and
- (11) 1,900 square meters of spa facility,

(collectively "Licensee Development Proposal Requirements" or "Proposal Requirements").

(c) The Casino Gaming Licensee is solely responsible for obtaining all required government approvals, permits and licenses required to honor its obligation to construct the Proposal Requirements.

(d) Nothing in this Part prohibits the Casino Gaming Licensee from developing beyond the requirements of the Licensee Development Proposal Requirements ("Licensee Additions").

§ 175-10.1-625 Development sites:

(a) The Casino Gaming Licensee is authorized to use up to a total of three Development Sites to obtain the required land necessary for the full development of the Initial Gaming Site, Licensee Development Proposal Requirements, and any Licensee

Additions.

(b) All gaming activities authorized under the Casino License are strictly limited to the approved Development Sites and the Temporary Facility referred to in Part 800.

(c) All development at these three Development Sites is to be done in a manner that balances the need for protection of island culture environment and the need for economic development. Development shall be done in a manner that preserves, enhances, and is consistent with maintaining a serene island culture environment.

(d) The term Development Site is defined as a single parcel of property or a grouping of adjoining connected parcels that presents a unified uninterrupted parcel that is under the control of the Licensee. Individual parcels controlled by the Licensee that are separated only by a public right of way shall be considered as a single Development Site.

§ 175-10.1-630 Integrated Resort (Phase One):

(a) The Casino Licensee shall build an Integrated Resort as phase one ("Phase-One") of the Licensee Development Proposal Requirements. For purposes of this License Agreement, the term "Integrated Resort" is defined as a large commercial endeavor in which multiple functions of: accommodations, entertainment, retail, service providers, and casino facilities are integrated at a single development site. The total area where actual gaming takes place shall be no more than twenty percent (20%) of the gross floor area of the Integrated Resort.

(c) All structures and associated elements of the Integrated Resort required herein are to be of a uniformly high luxury standard. All guest rooms shall be of similar quality as established by Triple AAA lodging criteria standards for four or five star developments, with associated guest services of similar quality.

§ 175-10.1-635 Initial Gaming Facility:

(a) The Casino Licensee shall construct or refurbish an Initial Gaming Facility which is a structure with guest rooms and services of five star quality.

(b) The Initial Gaming Facility shall have a minimum of 250 rooms.

(c) The structures associated with the Initial Gaming Facility shall be considered as one of the allowed Development Sites referred to in § 175-10.1-625.

(d) The Initial Gaming Facility must be fully constructed and operations must begin within twenty four (24) months of land acquisition but not later than August 12, 2017.

§ 175-10.1-640 Development Requirements (Phase One):

(a) Phase One shall result in the establishment of a fully functional Integrated Resort and include at a minimum the following elements and associated support components at a single Development Site:

- (1) An 800 room four or five star luxury hotel;
- (2) A \$100,000,000 themed entertainment facility with amphitheater;
- (3) 5,372 square meters of food and beverage outlets;
- (4) 2,500 square meters of meeting space (including indoor seating space for 600 persons);
- (5) 5,000 square meters of retail shops;
- (6) wedding chapel;
- (7) 500 square meter spa/fitness area;
- (8) 10,000 square meters of gaming area (which includes back-of-house areas); and
- (9) Associated parking, site improvements, landscaping, furnishings, fixtures, utilities and infrastructure.

(b) The Casino Licensee shall complete Phase One within thirty six (36) months of land acquisition but not later than January 12, 2018.

(c) Phase One must include the construction of a One Hundred Million Dollar (\$100,000,000) Themed Entertainment Facility which may include show elements. The Themed Facility shall be an integral part of the unifying design of Phase One which shall be reflected throughout the Integrated Resort. The Themed Facility shall provide family entertainment that complements the proposed integrated resort as an iconic development. The Themed Facility shall reflect the high end luxury style required in Phase One of the Integrated Resort.

(d) Failing to complete Phase One when required is an unsuitable method of operation. The Commission may take into account Force Majeure conditions outside the Casino Gaming Licensee's control.

§ 175-10.1-645 Development Proposal Requirements (Phase Two):

(a) All the components of the Licensee Development Proposal Requirements that were not completed in Phase One shall be completed by August 12, 2022.

(b) Failing to complete Phase Two when required is an unsuitable method of operation. The Commission may take into account Force Majeure conditions outside the Casino Gaming Licensee's control.

§ 175-10.1-650 Liquidated Damages:

(a) The Casino Gaming Licensee will pay a liquidated damage charge of One Hundred Thousand Dollars (\$100,000) per calendar day for any delay in achieving completion of Phase One or Phase Two of the project.

(b) The Casino Licensee shall pay all assessed Liquidated Damages within ten (10)

business days of imposition and receipt of notice from the Commonwealth.

- (c) The Casino Licensee agrees that the liquidated damages are not fines or penalties.
- (d) Failing to complete either Phase as required by the license agreement and these Regulations is an unsuitable method of operation; failing to pay any liquidated damage when due is an unsuitable method of operation. The Commission may take into account Force Majeure conditions outside the Casino Gaming Licensee's control.

§ 175-10.1-655 Local Training and Hiring Requirement:

(a) The Casino Gaming Licensee shall promote training and hiring of permanent United States residents in a proactive endeavor to achieve an objective of having citizens of the United States and permanent United States residents comprise at least sixty-five (65%) percent of all employees ("Resident Employment Objective").

(b) In furtherance of this requirement, the Casino Gaming Licensee shall work with the Commonwealth Department of Labor to develop an annual plan ("Annual Plain") evaluating: employment needs, local condition and challenges, current residency status of employees, and the provision of a proactive plan to achieve the Resident Employment Objective.

(c) This plan to achieve the Resident Employment Objective shall include the funding by the Casino Gaming Licensee of necessary training through local educational and trade institutions to provide required skills.

(d) The Casino Gaming Licensee will provide quarterly reports to the Commission and the Department of Labor on progress in meeting the Resident Employment Objective.

(e) Failing to file a report when due is an unsuitable method of operation.

(f) Failing to abide by the Annual Plan is an unsuitable method of operation.

§ 175-10.1-660 Community Benefit Fund:

(a) Within sixty (60) days of commencing construction work on the first hotel in the Integrated Resort, the Licensee shall contribute Twenty Million Dollars (\$20,000,000) towards its community benefits programs to benefit: education, scholarships, public infrastructure, health care, and government employee retirement benefits, as may be determined in consultation with the Governor.

(b) Thereafter, upon the first full year of operation of the Casino Gaming Licensee's first hotel in the Integrated Resort, Licensee shall annually contribute Twenty Million Dollars (\$20,000,000) to be used for community benefit programs to benefit: education, scholarships, public infrastructure, health care, and government employee retirement benefits, as may be determined in consultation with the Governor.

(c) All funds contributed by the Casino Gaming Licensee to the Community Benefit Contribution shall remain under the possession and control of the Casino Gaming Licensee until distributed to selected programs or recipients.

§ 175-10.1-665 Requirement for Compliance with Applicable Laws:

(a) The continuing validity of this casino gaming license is conditional upon the Casino Gaming Licensee's compliance with applicable laws, rules, and regulations of the Commonwealth and the United States.

(b) The failure to comply with an applicable law, rule, or regulation of the Commonwealth or the United States or a minimum internal control standard or an internal control standard is an unsuitable method of operation; each noncompliant action or omission is a distinct violation subject to penalty.

(c) The casino gaming license shall be interpreted under the laws of the Commonwealth of the Northern Mariana Islands and the exclusive jurisdiction of the courts hereof.

§ 175-10.1-670 Transfer Assignment or Encumbrance Prohibited:

(a) Neither The Casino Gaming License nor the duties entailed may be transferred, encumbered, assigned, pledged, or otherwise alienated without the express written authorization of the Commission (collectively "License Transfer") except in the case of encumbrances related to the Casino Gaming Licensee financing by financing parties, agencies and institutions as may permitted by the Commission.

(b) In instances where the casino gaming License is to be encumbered in relation to financing, confidential notice shall be provided to the Commission. Encumbrance of this License for purposes of financing shall have no effect on authority of the Commission to suspend or revoke this License nor shall it provide an encumbering party the right to operate the associated facilities without specific Commission approval.

(c) Any attempted transfer or assignment without such consent and approval shall be void.

(d) Any such proposed License Transfer shall be subject to thorough review to determine that it is not inconsistent with the intent of the Act or the Regulations.

(e) Any change in ownership of the Casino Gaming Licensee shall be considered a License Transfer except where the change of ownership or common control is that of a publicly held corporation that is traded on an established exchange, provided the increase in ownership or common control of an individual or entity is less than, or does not provide, ten percent (10%) of total equity, control or shares of the Licensee.

(f) Subject to the preceding requirements, any transfer of the casino gaming license shall

bind the transferees to all terms and conditions of the transferor.

(g) Nothing in this section shall prevent the Casino Gaming Licensee from contracting with independent agencies to perform designated functions subject to any required review and licensing requirements.

(h) The Commission may deem any person who owns or controls any percentage of the Casino Gaming Licensee, or owns or controls any percentage of any entity which owns or controls the Casino Gaming Licensee, unsuitable and suspend operations of the Casino Gaming Licensee until such time as all persons who own or control the Casino Gaming Licensee or any entity which owns or controls the Casino Gaming Licensee are deemed suitable.

§ 175-10.1-675 License Suspension or Revocation:

(a) The Casino Gaming Licensee is bound to comply with all terms and conditions of The Casino License and a violation of its requirements shall be considered a breach thereof. A material breach thereof is grounds for suspension or revocation of The Casino License. Unless otherwise indicated in the License Agreement, the procedures established by the Commonwealth Administrative Procedure Act shall apply to proceedings for suspension or revocation of the Casino License.

(b) Any one or more of the following events shall constitute material breach of the License Agreement ("Material Breach") and grounds for Casino Gaming License revocation or suspension as the Commission sees fit:

- (1) Failure to pay any amount due and payable hereunder upon the date when such payment is due;
- (2) Failure to materially comply with Licensee Development Proposal Requirements or the associated implementation Schedules.
- (3) Material violation of the laws of the Commonwealth or the United States;
- (4) Failure to observe or perform any material obligation or covenant under the Casino License Agreement;
- (5) Violation of material elements of the Regulations established by the Commonwealth Casino Commission;
- (6) Unauthorized transfer of the Casino Gaming License;
- (7) The appointment of a receiver to take possession of all or substantially all of the Casino Gaming Licensee's assets, or the filing of a voluntary or involuntary bankruptcy petition in bankruptcy by the Casino Gaming Licensee or its creditors, if such appointment, assignment, or petition remains undischarged for a period of thirty (30) days.
- (8) The appointment of a receiver to take possession of all or substantially all of the assets of the owner of the Casino Gaming Licensee, or the filing of a voluntary or involuntary bankruptcy petition in bankruptcy by the owner of the Casino Gaming Licensee or its creditors, if such appointment, assignment, or petition remains undischarged for a period of thirty (30) days.

(c) Upon the occurrence of a Material Breach, the Commission may, but shall not be required to: (1) suspend or revoke the Casino License Agreement and some or all of the licenses granted pursuant to the Act and the Regulations and or cancel all associated duties and obligations; or (2) pursue any other remedy available at law or in equity.

(d) The Commission may impose civil penalties for the violation of any provision of the Act or any regulation or order issued pursuant to the Act. No penalty may exceed \$50,000. The range of lesser penalties for minor, intermediate violations and major violations is in Part 2500. The Commission may suspend, reduce, or rescind any penalty imposed pursuant to this section and according to any and all due process protections.

(e) Notwithstanding the foregoing, the Commission shall not revoke or suspend this License Agreement unless written notice to the Licensee has been provided of the intention and the Licensee has been provided an adequate and reasonable period to cure the issue identified.

(f) In the event of Casino License revocation, any prepayment of the annual License Fee shall be forfeited to the Commonwealth.

(g) In the event of Casino License revocation, the Commonwealth may institute any and all legal proceedings it deems appropriate in courts of its choosing to assert any and all claims against the former Licensee and other parties.

Part 700 CASINO FACILITIES:

§ 175-10.1-701 Impact of the Facilities

§ 175-10.1-705 The Casino

§ 175-10.1-710 Duty to Maintain and Operate a Superior Quality Facility

§ 175-10.1-715 Mortgage and Assignment of Casino License, Etc.

§ 175-10.1-701 Impact of the Facilities. The Casino Gaming Licensee shall comply with the minimum investment requirements as set forth in the Act, the License granted by the Lottery Commission and these Regulations.

§ 175-10.1-705 The Casino. Every casino on an approved Development Site shall:

(a) Contain closed circuit surveillance systems and security as approved by the Commission;

(b) Contain specifically designated and secure areas for the inspection, repair, and storage of gaming equipment as approved by the Commission;

(c) Contain a count room and such other secure facilities as approved by the Commission for the inspection, counting and storage of cash, coins, tokens, checks, dice, cards, chips, and other representatives of value;

(d) Contain such facilities in the ceiling of the casino room commonly referred to as an "eye-in-the-sky" appropriate to permit direct overhead visual surveillance of all gaming therein as approved by the Commission; provided, however, that the Commission may exempt from its requirements any casino room in any building if it is satisfied that same contains an acceptable approved alternative and that such exemption would not be inimical to Commission;

(e) Contain a specially designated office, located on the casino floor, for the exclusive use by the Commission for administrative, enforcement and regulatory purposes as approved by the Commission.

§ 175-10.1-710 Duty to Maintain and Operate a Superior Quality Facility. The Casino Licensee shall have a continuing duty to maintain and operate its entire casino complex of a superior quality as approved by the Commission, to submit the said complex to inspection by the Commission upon demand at the request of the Commission, and to promptly comply with all the requirements and the directives of the Commission relating to the maintenance and operation of the said complex.

§ 175-10.1-715 Mortgage and Assignment of Casino License, Etc.:

(a) The Casino Gaming Licensee shall not mortgage, charge, or otherwise encumber: a casino license, a casino complex to which the casino license is related, the rights and benefits under the agreement in question without, or any gaming equipment without the consent of the Commission.

(b) Where the mortgagee wishes to enforce his security under the mortgage, charge, or other encumbrance pursuant to his rights thereunder;

(1) The casino gaming license and the rights, benefits, and obligations under the relevant agreement, shall be assigned only to the person approved by the Commission;

(2) Any receiver and manager appointed shall be a person approved by the Commission.

(c) As a condition precedent to the approval by the Commission, the Commission may require that the further agreement in writing be entered into between:

(1) The Executive Director for and on behalf of the Commission and the proposed assignee; or

(2) The Executive Director for and on behalf of the Commission and some other person whom the Commission considers to be appropriate person to be a party to the agreement with a view to the assignment of the casino license to the proposed assignee containing such terms and conditions with respect to the assignment and the proposed assignee as the Commission thinks fit;

(d) Any such further agreement shall have no force or effect unless and until approved by the Commission.

(e) Prior to any approval by the Commission, the Executive Director shall cause to be undertaken such investigation as are necessary in the discretion of the Commission. The Commission shall also require the proposed person and all persons not associated or connected or to be associated or connected in the opinion of the Executive Director, with the ownership, administration, or management of the operations or business of the proposed person to satisfy the Commission that such proposed persons and such persons are suitable persons to be associated or connected with the management and operations of a casino complex or casino. The cooperation and assistance of the Federal Bureau of Investigation, Interpol, and other jurisdictions investigative agencies may be sought as appropriate as determined by the Executive Director.

(f) A decision by the Commission to approve or not to approve of a transfer pursuant to the Regulations is final and conclusive but may be reviewed pursuant to the Administrative Procedure Act.

Part 800 TEMPORARY LIVE TRAINING FACILITY

§175-10.1-801	Temporary Live Training Facility Authorized
§175-10.1-805	Applicability of Regulations
§175-10.1-810	Development Plan Requirements
§175-10.1-815	Cessation of Live Training Facility

§175-10.1-801 Temporary Live Training Facility Authorized. Prior to the opening of the Initial Gaming Facility, the licensee may establish and operate a Temporary Live Training Facility on the first floor of the T Galleria, Garapan.

§175-10.1-805 Applicability of Regulations:

(a) The casino licensee may not begin operation of the Temporary Live Training Facility authorized by §175-10.1-801 until the Commission has promulgated all regulations necessary for the proper regulation of the Temporary Live Training Facility, and the Commission has informed the licensee, in writing, that it may proceed with live operations.

(b) Employees of the Temporary live Training Facility must receive a license as if they were an employee of the Casino Gaming Licensee pursuant to the regulations found in §175-10.1-1901 et. seq. All regulations, restrictions and obligations which apply to Casino Employees and Casino Key Employees apply to Employees and Key Employees of the Temporary Live Training Facility.

(c) Service Providers of the Temporary Live Training Facility must receive a license as if they were a Service Provider of a casino licensee pursuant to the regulations found in §175-10.1-1301 et. Seq. All regulations, restrictions and obligations which apply to Casino Service Providers apply to Service Providers of the Temporary Live Training

Facility.

(d) All Regulations dealing with the Casino Gaming Licensee and the operation of gaming by the Casino Gaming Licensee apply to the operation of the Temporary Live Training Facility.

§175-10.1-810 Development plan requirements. The Temporary Live Training Facility shall not be considered in evaluating the Licensee's efforts towards meeting the Licensee Development Proposal Requirements or as one of the allowed Development Sites as identified in Section 8 of the license granted by the Lottery Commission. The Casino Licensee is not required to submit the plan for the Temporary Live Training Facility to the Development Plan Advisory Committee. The Casino Gaming Licensee must submit a final plan for the Temporary Live Training Facility to the Commission before commencing operations at the Temporary Live Training Facility for a determination as to whether the plan is consistent with the applicable Regulations.

§175-10.1-815 Cessation of Live Training Facility. The casino licensee shall cease operations at the Temporary Live Training Facility prior to the opening of the Initial Gaming Facility. In no event shall the Licensee operate the Temporary Live Training Facility beyond April 30, 2017. The Commission may extend this date for good cause shown.

Part 900 PERSONS REQUIRED TO BE QUALIFIED

§ 175-10.1-901	Casino Licenses
§ 175-10.1-905	Casino Service Provider Licenses
§ 175-10.1-910	Employee Licenses
§ 175-10.1-915	Scope
§ 175-10.1-920	Licensee Standards
§ 175-10.1-925	Licensee, Certificate or Permittee Standards (Child Support)

§ 175-10.1-901 Casino Licenses The Lottery Commission has already determined the qualifications of the Casino Gaming Licensee. The Commonwealth Casino Commission shall have sole jurisdiction to determine whether the Casino gaming Licensee remains suitable. The Commonwealth Casino Commission shall have sole jurisdiction to determine whether a person or entity remains suitable in order to continue to own (whether directly or indirectly), receive revenue or profits (whether directly or indirectly) from, or continue to be in any way associated with, the Casino Gaming Licensee.

§ 175-10.1-905 Casino Service Provider Licenses

(a) No casino service provider license shall be issued unless the individual qualification of each of the following persons shall have first been established to the satisfaction of the Commission: Each such casino service provider enterprise, its owners, its management personnel, its supervisory personnel, and its principal

employees.

(b) Each person in (a) must be qualified in accordance with the standards for casino employees found in 175-10.1-920.

§ 175-10.1-910 Employee Licenses No employee license shall be issued unless, the individual qualifications of the natural person applying thereof, shall have first been established in accordance with the standards of the Act and of these Regulations.

§ 175-10.1-915 Scope A license may be issued to any person qualified in accordance with the standards applicable to the said person as set forth in the Act and Regulations.

§ 175-10.1-920 Licensee Standards

(a) General and Affirmative Criteria:

(1) It shall be the affirmative responsibility of each applicant for any license, certificate finding, registration, or permit available under these Regulations, or renewal thereof, and licensee to establish to the satisfaction of the Commission by clear and convincing evidence his individual qualifications;

(2) Any applicant or licensee shall provide all information required and satisfy all requests for information pertaining to qualification;

(3) All applicants and licensees shall have the continuing obligation to provide any assistance or information required and to cooperate in any inquiry or investigation conducted by the Commission;

(4) Each applicant shall produce such information, documentation, and assurances concerning financial background and resources as may be required to establish by clear and convincing evidence the financial stability and integrity of the applicant including but not limited to bank references, business and personal income, tax returns, and other reports filed with governmental agencies;

(5) Each applicant shall produce such information, documentation, and assurances as may be necessary to establish by clear and convincing evidence the integrity of all financial backers, investors, mortgagees, bondholders and holders of indentures, notes or other evidence of indebtedness either proposed or in effect. The integrity of financial sources shall be judged upon the same standards as the applicant. The applicant shall produce whatever information documentation and assurances as may be required to establish the adequacy of financial resources to be entrusted with the privilege of conducting gaming in the Commonwealth;

(6) Each applicant shall produce such information, documentation, and assurances as may be required to establish by clear and convincing evidence the applicant's good character, honesty, and integrity. Such information shall include but not be limited to family habits, character, reputation, criminal and arrest record, business activities, financial affairs, personal, professional and business associates covering a five year period immediately preceding the filing of the application;

(7) Each applicant shall produce such information, documentation, and assurances to establish by clear and convincing evidence that the applicant has

sufficient business ability and casino experience to establish the likelihood of the ability to abide by the Act and Regulations; and

(8) Each applicant shall complete the form concerning child support promulgated pursuant to § 175-10.1-925.

(b) **Disqualification Criteria.** The Commission shall deny any license, certificate finding, registration, permit or renewal thereof, including but not limited to a Casino Key Employee License or Casino Employee License to any applicant who is disqualified on the basis of any of the following:

(1) Failure of the application to prove by clear and convincing evidence that the applicant is qualified in accordance with the provisions of the Act and the Regulations.

(2) Failure of the applicant to provide information, documentation, or assurances requested by the Commission or failure of the applicant to reveal any fact material to qualification or the supplying of information which is untrue or misleading as to any material fact.

(3) Conviction of the applicant or any person required to be qualified, of any offenses in any jurisdiction which would be the same or similar as:

- (i) 6 CMC 1101 Murder or 6 CMC 1102 Manslaughter;
- (ii) 6 CMC 1203 Aggravated Assault or Battery and 6 CMC 1203 Assault with A Dangerous Weapon;
- (iii) 6 CMC 1301 Sexual Assault in the First Degree, 6 CMC 1302 Sexual Assault in the Second Degree or 6 CMC 1303 Sexual Assault in the Third Degree;
- (iv) 6 CMC 1306 Sexual Assault of a Minor in the First Degree, 6 CMC 1307 Sexual Assault of a Minor in the Second Degree or 6 CMC 1307 Sexual Assault of a Minor in the Third Degree;
- (v) 6 CMC 1314 Unlawful Exploitation of a Minor;
- (vi) 6 CMC 1323 Child pornography;
- (vii) 6 CMC 1411 Robbery;
- (viii) 6 CMC 1421 Kidnapping;
- (ix) 6 CMC 1471 Stalking in the First Degree;
- (x) 6 CMC 1501 et. seq. Anti Trafficking Act (any count);
- (xi) 6 CMC 1601 et. seq. Theft (any count punishable by 1601(b)(1) or (b)(2));
- (xii) 6 CMC 1609 Theft of Utility Services (any count punishable by 1609(d)(1)-(3));
- (xiii) 6 CMC 1701 et. seq. Forgery and Related Offenses (any count §§1701-1707);
- (xiv) 6 CMC 1722 Identity Theft and 6 CMC 1722 Aggravated Identity Theft;
- (xv) 6 CMC 1801 Burglary
- (xvi) 6 CMC 1802 Arson and related offenses
- (xvii) 6 CMC 2141 Drug Trafficking punishable by 2141 (b) (except THC or marijuana)
- (xviii) 6 CMC 1142 Drug Possession punishable by 2141(b) (excludes marijuana)
- (xix) 6 CMC 2103 Importation of Contraband
- (xx) 6 CMC 3113 Terroristic Threatening
- (xxi) 6 CMC 2141(a) and (b)(1) Offenses and penalties for illegal drug use
- (xxii) 6 CMC 2143 Commercial offenses-drugs offenses
- (xxiii) 6 CMC 3155 Gambling offenses prohibited
- (xxiv) 6 CMC 3201 Bribery

- (xxv) 6 CMC 3302 Obstructing justice
- (xxvi) 6 CMC 3303 Obstructing justice-interference of services
- (xxvii) 6 CMC 3304 Tampering with judicial records or process
- (xxviii) 6 CMC 3305 Tampering with jury
- (xxix) 6 CMC 3366 Perjury
- (xxx) 6 CMC 3501 et. seq. Terrorism (any charge)

(4) Any other offenses under CNMI law, federal law, or any other jurisdiction which indicates that licensure of the applicant would be inimical to the policy of the Commission and to casino operations; however, that the automatic disqualification provisions of this subsection (b) shall not apply with regard to any conviction which did not occur within the five (5) year period immediately preceding the application for licensure or any conviction which has been the subject of an executive pardon or judicial order of expungement. The five (5) year period is calculated beginning from the day after the convict's last day of post-conviction supervision (including probation or parole or required registry as a sex offender under federal, Commonwealth, territorial, state or tribal law).

(5) Current prosecution or pending charges in any jurisdiction of the applicant or of any person who is required to be qualified under this regulation for any of the offenses enumerated above; provided, however that at the request of the applicant or person charged, the Commission shall defer discussion upon such application during the pendency of such charge.

(6) (i) The identification of the applicant or any person who is required to be qualified under this regulation as a career offender or a member of a career offender cartel or an associate of a career offender or career offender cartel in such a manner which creates a reasonable belief that the association is of such a nature as to be inimical to the policies of the rules and regulations and a casino operations.

(ii) For purposes of this section, career offender shall be defined as any person whose behavior is pursued in an occupational manner or context for the purpose of economic gain, utilizing such methods as are deemed criminal of the public policy of the Commonwealth. A career offender cartel shall be defined as any group of persons who operate together.

(7) The applicant or any person who is required to be qualified under the rules and regulations as a condition of a gaming license may be denied for commission of any act or acts which would constitute any offense under subsections (b)(3) or (b)(4) above, even if such conduct has not or may not be prosecuted under the criminal laws of the CNMI.

§ 175-10.1-925 Licensee, certificate or permittee Standards (Child Support)

(a) The Executive Director shall promulgate a form which provides the applicant for any license, certificate or permit available under the Act or these Regulations, or renewal thereof, with an opportunity to indicate, under penalty of perjury, that:

- (1) The applicant is not subject to a court order for the support of a child;
- (2) The applicant is subject to a court order for the support of one or more children and is in compliance with the order or is in compliance with a plan approved by

the Attorney General or his designee or other public agency enforcing the order for the repayment of the amount owed pursuant to the order; or

(3) The applicant is subject to a court order for the support of one or more children and is not in compliance with the order or a plan approved by the Attorney General or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

(b) The form referred to in (a) shall include: (1) an explanation that "court order" includes any court of competent jurisdiction and not just the courts of the Commonwealth; (2) a statement that the application for the issuance or renewal of the license, certificate or permit will be denied if the applicant does not indicate on the statement which of the provisions of paragraph (a)(1)-(3) applies to the applicant; and (3) a space for the signature of the applicant. The failure of the form to strictly comply with this requirement does not invalidate the form used by the Executive Director.

(c) Disqualification Criteria: Child Support. The Commission shall deny any license, certificate, finding or permit available pursuant to these Regulations or any renewal thereof, including but not limited to Casino Key Employee Licenses or Casino Employee Licenses to any applicant who (1) Fails to submit the statement required pursuant to subsection § 175-10.1-920 (a)(8); or (2) Indicates on the statement submitted pursuant to subsection (a)(8) that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the Attorney General or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

Part 1000 ENROLLMENT OF ATTORNEYS AND AGENTS

§ 175-10.1-1001	Eligibility to practice
§ 175-10.1-1005	Scope of Practice
§ 175-10.1-1010	Qualifications for enrollment
§ 175-10.1-1015	Procedures for enrollment
§ 175-10.1-1020	Enrollment for a particular matter
§ 175-10.1-1025	Roster of enrolled agents
§ 175-10.1-1030	Suspension and revocation of enrollment
§ 175-10.1-1035	Reinstatement
§ 175-10.1-1040	Proof of authority
§ 175-10.1-1045	Effect of representation
§ 175-10.1-1050	Obligations of truthfulness and diligence
§ 175-10.1-1055	Knowledge of client's omission
§ 175-10.1-1060	Certification of documents
§ 175-10.1-1065	Duty of Enrollees Concerning Violations
§ 175-10.1-1070	Professional Conduct

§ 175-10.1-1001 Eligibility to practice No person shall be eligible to practice before the Commission unless such person is enrolled in accordance with these regulations, except that any individual may appear, without enrollment, on his own behalf.

§ 175-10.1-1005 Scope of practice Practice before the Commission shall be deemed to include all matters relating to the presentation of a client's matter to the Commission, including the preparation and filing of applications, reports, systems of internal controls, financial statements, or other documents submitted to the Commission on behalf of such client.

§ 175-10.1-1010 Qualifications for enrollment:

(a) The following persons may be admitted to practice before the Commission as attorneys or accountants:

(1) Attorneys at law admitted to practice before the Supreme Court of the Commonwealth and who are lawfully engaged in the active practice of their profession.

(2) Certified public accountants and public accountants qualified to practice under Commonwealth law and who are lawfully engaged in active practice as such.

(b) Other individuals may, upon motion of an enrolled person, be admitted to practice as agents upon presentation of satisfactory proof of their good character and integrity, professional qualifications and experience, comprehensive knowledge of the Act and regulations, and such other information or references as the Commission may require. Unless the Commission provides otherwise, all agents shall only be admitted to practice before the Commission for the purposes of a particular case or matter.

§ 175-10.1-1015 Procedures for enrollment.

(a) An attorney or accountant meeting the qualifications described in Regulation 175-10.1-1010(a) (1) or (2) shall be deemed automatically enrolled at the time the attorney or accountant first appears for or performs any act of representation on behalf of a client in any matter before the Commission.

(b) Other individuals must submit an application for enrollment to the Commission together with proof of eligibility for enrollment. The Commission will consider the application at a public meeting, and may either grant or deny the application, or request additional information from the applicant. Only natural persons may enroll to practice before the Commission.

(c) Prior to enrollment, any person other than one described in (a)(1) or (a)(2) above must pay an Enrollment Application fee of Five Hundred Dollars (\$500) and Two Hundred Fifty Dollars on every October 1 thereafter.

§ 175-10.1-1020 Enrollment for a particular matter:

(a) The following persons may, upon motion of an enrolled person, be admitted to practice before the Commission for the purposes of a particular case or matter:

(1) Attorneys at law who have been admitted to practice before the courts of any state or territory or the District of Columbia and who are in good standing with the court

by which they are licensed.

(2) Certified public accountants or public accountants who have duly qualified to practice as such in their own names, under the laws and regulations of any state or territory or the District of Columbia, and who are in good standing with the entity by which they are licensed.

(b) No person enrolled pursuant to this section may practice before the Commission except in association with the enrolled person who sponsored his enrollment.

§ 175-10.1-1025 Roster of enrolled agents The Commission will keep on file a roster of persons who are enrolled as agents, and will furnish, upon request, information as to whether any individual is enrolled.

§ 175-10.1-1030 Suspension and revocation of enrollment

(a) A person's enrollment to practice before the Commission shall be suspended automatically without a hearing under the following circumstances:

(1) Where the person is an attorney or an accountant, if his professional license is suspended or revoked;

(2) Where the person is an agent, if he has been convicted of any felony, regardless of whether an appeal is pending or could be taken.

(b) Any person enrolled to practice before the Commission as an agent may have his enrollment to practice suspended or revoked if, after a hearing, the Commission finds that:

(1) The agent made a materially false or misleading statement with regard to his application for enrollment;

(2) The agent willfully failed to exercise diligence in the preparation or presentation of any application, report, or other document filed with the Commission, or knowingly misrepresented any material fact to the Commission; or

(3) The agent does not possess the requisite qualifications or expertise to represent others before the Commission, lacks character or integrity, or has engaged in unethical or improper conduct.

§ 175-10.1-1035 Reinstatement:

(a) Any attorney or accountant whose enrollment is suspended under § 175-10.1-030(a)(1) shall be deemed automatically reinstated to practice before the Commission at the time he is reinstated to practice law or accounting by the applicable licensing authority.

(b) Any agent whose enrollment is suspended or revoked under § 175-10.1-030(b) may be reinstated by the Commission, upon application, if the grounds for the suspension or revocation are subsequently removed by a reversal of the conviction, or for other good cause shown. An applicant for reinstatement shall be afforded an opportunity for a hearing before the Commission on the application, and shall pay all

reasonable costs of the proceeding and a new enrollment fee of Five Hundred Dollars (\$500).

§ 175-10.1-1040 Proof of authority The Commission may require all persons seeking to appear before it to disclose the identity of those they represent and to present proof that they are authorized to act on their behalf.

§ 175-10.1-1045 Effect of representation:

(a) Any person represented by an attorney, accountant, agent, or other person before the Commission shall be bound by the acts or omissions of such representative to the same extent as if he had acted or failed to act personally.

(b) In an appearance by an attorney, accountant, agent, or other representative at any hearing or meeting of the Commission, the person represented shall be deemed to have waived all privileges with respect to any information in the possession of such attorney, accountant, agent, or representative, or any testimony by him, except for privileges afforded by the Constitution of this Commonwealth or the United States, where applicable.

§ 175-10.1-1050 Obligations of truthfulness and diligence:

(a) Enrolled persons shall not be intentionally untruthful to the Commission, nor withhold from the Commission any information which the Commission is entitled to receive, nor interfere with any lawful effort by the Commission to obtain such information.

(b) Enrolled persons shall exercise due diligence in preparing or assisting in the preparation of documents for submission to the Commission.

(c) Enrolled persons have a continuing responsibility on behalf of their clients to monitor the accuracy and completeness of information submitted to the Commission in any matter pertaining to their clients. Whenever an enrolled person becomes aware that information furnished to the Commission is no longer accurate and complete in any material respect, the enrolled person shall promptly furnish the Commission with appropriate supplemental and corrected information.

§ 175-10.1-1055 Knowledge of client's omission. An enrolled person who knows that a client has not complied with the Act or the regulations of the commission, or that a client has made a material error in or a material omission from any application, report, or other document submitted to the Commission, shall advise his client promptly of the fact of such noncompliance, error, or omission.

§ 175-10.1-1060 Certification of documents. Every application, report, affidavit, written argument, brief, statement of fact, or other document prepared or filed on behalf of a client represented by an enrolled person, must be signed by the enrolled person, and the signature shall be deemed to constitute a certification that the

document was prepared in conformity with the requirements of the Act and Regulations, that he has read the said paper and that, to the best of his knowledge, information and belief, its contents are true.

§ 175-10.1-1065 Duty of enrollees concerning violations. An enrolled person shall, when requested by the Commission, a Member, or an authorized employee thereof, give to the Commission, or such member, or employee any information that the enrolled person may have concerning violations of the Act or regulations by any person, or of the occurrence of any acts or omissions on the part of an enrollee that would be grounds for suspension or disbarment of such enrollee, unless such information is privileged under applicable law.

§ 175-10.1-1070 Professional conduct. Each enrolled person shall conduct his practice in an ethical and professional manner. Each enrolled attorney shall observe the rules of admission and professional conduct adopted by the Commonwealth Supreme Court, and each enrolled person who is not an attorney shall observe the rules of professional conduct adopted by the Commonwealth Board of Accountancy.

Part 1100 Information:

§ 175-10.1-1101	Affirmative Responsibility to Establish Qualifications
§ 175-10.1-1105	Duty to Disclose and Cooperate
§ 175-10.1-1110	Disposition of Property of a Casino Applicant or Licensee
§ 175-10.1-1115	Duty to Promptly Furnish Information
§ 175-10.1-1120	Inspection, Monitoring, and Periodic Investigations
§ 175-10.1-1125	Waiver of Liability for Disclosure of Information
§ 175-10.1-1130	Consent to Examination of Accounts and Records
§ 175-10.1-1135	Fingerprinting
§ 175-10.1-1140	Digital Photographs
§ 175-10.1-1145	Handwriting Exemplars
§ 175-10.1-1150	Oath of Affirmation and Attorney Certification
§ 175-10.1-1155	Untrue Information
§ 175-10.1-1160	Signatures
§ 175-10.1-1165	Form of Signature
§ 175-10.1-1175	Numbers of Copies

§ 175-10.1-1101 Affirmative Responsibility to Establish Qualifications It shall be the affirmative responsibility and continuing duty of each applicant and licensee to produce and update and keep current such information, documentation, and assurances as may be required to establish by clear and convincing evidence his qualifications in accordance with the rules and regulations.

§ 175-10.1-1105 Duty to Disclose and Cooperate It shall be the affirmative responsibility and continuing duty of each applicant, licensee, and person required to be qualified to provide all information, documentation, and assurances pertaining to qualifications required or requested by the Commission and to cooperate with the Commission in the performance of its duties. Any refusal by any such person to comply

with a formal request for information, evidence, or testimony shall be a basis for denial, revocation, or disqualifications.

§ 175-10.1-1110 Disposition of Property of a Casino Applicant or Licensee It shall be an affirmative responsibility of the Casino Gaming Licensee to submit to the Commission a copy of all agreements regarding the lease or purchase of, or the option to lease or purchase, any real property in Saipan, CNMI, entered into by the Casino Gaming Licensee or any affiliate of the Casino Gaming Licensee.

§ 175-10.1-1115 Duty to Promptly Furnish Information It shall be the duty of each applicant or licensee to promptly furnish all information, documentation, assurances, consents, waivers, fingerprint impressions, photographs, handwriting exemplars, or other materials required or requested by the Commission. Any request of information by the Commission shall be submitted at a reasonable time determined by the Commission.

§ 175-10.1-1120 Inspection, Monitoring, and Periodic Investigations The Commission or its authorized representatives may inspect and monitor at any time, the licensed premises of a licensed casino and the premises of any casino service provider. The Commission must investigate, not later than 1 year after the commencement of operations in a casino or Temporary Live Training Facility, and thereafter at intervals of its choosing the following:

(a) whether or not the Casino Gaming Licensee is a suitable person to continue to hold a casino license;

(b) whether or not the Casino Gaming Licensee is complying with these Regulations, the Act and any applicable law or regulation;

(c) whether or not the Casino Gaming Licensee is complying with the casino license issued by the Lottery Commission;

(d) whether or not the Casino Gaming Licensee, casino employees or casino service providers are complying with all agreements which are required under these Regulations and the Act and any subsequent amendments thereto;

(e) whether or not it is in the public interest that the Casino Gaming Licensee or casino service providers should continue in force.

§ 175-10.1-1125 Waiver of Liability for Disclosure of Information. Each applicant, licensee, and person required to be qualified shall, in writing, waive liability of the Commission and its instrumentalities and agents for any damages resulting from any disclosure or publication of any information during any inquiries, investigations, or hearings or public records requests.

§ 175-10.1-1130 Consent to Examination of Accounts and Records:

- (a) Each applicant and licensee shall, in writing consent to the examination of all accounts, bank accounts, and records in his possession or under his control and authorize all third parties in possession or with control of such accounts or records to allow such examination thereof as may be deemed necessary by the Commission.
- (b) The Casino Gaming Licensee must sign an authorization to inspect its bank account records upon demand of the Commission.
- (c) The Casino Gaming Licensee must maintain an account in a bank in the CNMI into which are deposited its revenues from all gaming activities.
- (d) The Commission may waive any or all of these requirement as it deems prudent.

§ 175-10.1-1135 Fingerprinting:

- (a) Each applicant, licensee, and person required to be qualified shall be fingerprinted in duplicate on fingerprint impression card forms provided by the Commission. One of the said forms shall be filed with the Commission and one shall be filed with the Commonwealth Department of Public Safety.
- (b) Each person submitting fingerprints acknowledges that the Commission may provide copies of the fingerprint cards to law enforcement upon request or upon its own initiative.
- (c) The Commission may waive this requirement as it deems prudent.
- (d) The Commission may charge an additional one time fee to offset the collection and storage of the submitted fingerprints.

§ 175-10.1-1140 Digital Photographs:

- (a) Each applicant, licensee, and person required to be qualified shall be digitally photographed. One set of the said photographs shall be filed with the Commission and one shall be filed with the Commonwealth Department of Public Safety.
- (b) Each person submitting photographs acknowledges that the Commission may provide copies of the photograph and any associated identifying information to law enforcement upon request or upon its own initiative.
- (c) The Commission may waive this requirement as it deems prudent.
- (d) The Commission may charge an additional fee to offset the collection and storage of the submitted photographs.

§ 175-10.1-1145 Handwriting Exemplars:

(a) Each applicant, licensee, intermediary company, holding company, and person required to be qualified shall, in writing, consent to the supplying of handwriting exemplars in the form and manner directed upon the request of the Commission.

(b) Each person submitting handwriting exemplars acknowledges that the Commission may provide copies of the exemplars and any associated identifying information to law enforcement upon request or upon its own initiative.

(c) The Commission may waive this requirement as it deems prudent.

(d) The Commission may charge an additional fee to offset the collection and storage of the submitted exemplars.

§ 175-10.1-1150 Oath of Affirmation and Attorney Certification

(a) All applicant, registration, business enterprise disclosure, child support information and personal history disclosure forms and all other papers relating thereto submitted to the Commission by or on behalf of an applicant shall be sworn to or affirmed and subscribed and dated by the applicant and, if different, the author of the said form or paper before a person legally competent to take an oath or affirmation, who shall himself subscribe and date the signature of the affiant and indicate the basis of his authority to take oaths or affirmations. The following statement shall immediately precede the signature of the affiant:

"I swear (or affirm) under penalty of perjury that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to loss of licensure and forfeiture of any and all fees paid as well as civil and criminal prosecution and fines and penalties associated therewith."

The affiant, if requested shall again swear to or affirm and subscribe and date any such paper in the presence of a representative of the Commission.

(b) All such forms and papers shall also be signed by the applicant's chief legal officer or attorney of record, if any.

§ 175-10.1-1155 Untrue Information. The Commission shall deny a license or registration to any applicant who shall supply information to the Commission which is untrue or misleading as to a material fact pertaining to any information sought by the Commission.

§ 175-10.1-1160 Signatures. All application, business enterprise disclosure and personal history disclosure forms shall be signed by each of the following persons:

(a) If a corporation, by its president, its chairman of the board, any other chief executive officer thereof, its secretary, and its treasurer;

- (b) If a partnership, by each of its partners; if a limited partnership, only by each of its general partners;
- (c) If any other business enterprise, organization or association or of a governmental agency, by its chief executive officer, its secretary, and its treasurer;
- (d) If an LLC, by its Manager or Managing Member and all Members; and
- (e) If a natural person, by the person himself.

§ 175-10.1-1165 Form of Signature. All signatures shall be signed in blue ink and dated on all original papers, but may be photographed, typed, stamped, or printed on any copies of such papers. The name and address of the signatory shall be typed, stamped, or printed beneath each signature.

§ 175-10.1-1170 Form of Application:

- (a) Each applicant, licensee, or person required to be qualified shall provide all information in a form specified by the Commission and shall complete and submit all appropriate application, registration, business enterprise disclosure, and personal history disclosure forms as directed by the Commission or the Executive Director.
- (b) The Executive Director is authorized to create any application or form referred to or required by these Regulations, and is further authorized to create any application or form he deems necessary for the expedient conduct of the Commission's business.

§ 175-10.1-1175 Numbers of Copies:

- (a) All original applications and other original papers relating thereto submitted to the Commission by the applicant shall be accompanied by one original and six conformed copies.
- (b) Additional conformed copies of any such papers shall be supplied upon request by the Commission.

Part 1200

FEES

§ 175-10.1-1201	General Description of Fees and Deposit Policy
§ 175-10.1-1205	License Renewal General Provisions
§ 175-10.1-1210	Payment of Fees and Deposits
§ 175-10.1-1215	Special Fee Assessments for Other Purpose
§ 175-10.1-1220	No Proration of fees
§ 175-10.1-1225	Schedule of Fees

§ 175-10.1-1201 General Description of Fees and Deposit Policy

(a) The Commission shall establish, fees for the application issuance and renewal of all licenses pursuant to the Act;

(b) The differing treatment of these license categories reflects a recognition and judgment that casino applicants and licensees benefit directly or indirectly from all aspects of the regulatory process and are best suited to bear the largest share of the costs incurred by the Commission in implementing that process. Moreover, the actual cost of investigation and considering applications for individual employee licenses and casino service provider licenses may exceed the amount which those applicants and licensees may fairly be required to pay as fees. The fee structure established by these rules and regulations is designed to respond to these policies and problems.

(c) To the extent reasonably possible, each applicant or licensee should pay the investigatory or regulatory costs attributable to their application or license. The Casino Gaming Licensee shall pay the fees for Casino Employee Licenses and Casino Key Employee Licenses and shall not deduct such amount from an employee's or key employee's wages or salary.

(d) Unless otherwise specifically exempted by the Commission, all application fees are fully earned when received by the Commonwealth Treasury or the Commission. The withdrawal of the application by the applicant or the denial of the license by the Commission is not grounds for a rebate of any portion of any application fee.

§ 175-10.1-1205 License Renewal General Provisions

(a) All classes of gaming licenses, except the Casino License issued by the Lottery Commission which remains in force until modified, cancelled, suspended, or surrendered pursuant to the Act or these Regulations, are subject to renewal as provided herein. All classes of gaming licenses, other than the Casino License issued by the Lottery Commission, must be renewed before the expiration of the current license.

(b) Any license, other than a casino license, which is not renewed prior to expiration, will be considered as forfeited. Reinstatement of such a forfeited license will require processing as a new license application including payment of the proper fees associated with initial license issuance as promulgated herein.

§ 175-10.1-1210 Payment of Fees and Deposits:

(a) No application shall be accepted for filing or processed by the Commission except upon the proper and timely payment of all required fees and deposits in accordance with these Regulations. Any portion of an application fee or deposit which is incurred or determined after the filing of the application or which estimated in accordance with this subchapter shall be payable upon demand made by the

Commission. Failure to promptly remit any amount so demanded shall be deemed a failure to timely pay the required fee unless the Commission finds cause to permit an extension of time in which to remit the demanded amount.

(b) Except as otherwise provided in the Act and these Regulations, failure to timely remit fees, or deposits required under this subchapter shall result in suspension of the affected license or application until such time as the full amount of such fee or deposit is paid unless the Commission finds cause to permit extension of time in which to remit the amount due. Except as otherwise provided, failure to remit full amount of a fee or deposit required under this section within thirty calendar days of the date such fee becomes due shall result in permanent forfeiture of the affected license or application unless the licensee or applicant shall show cause for non-forfeiture acceptable to the Commission.

(c) The Annual License Fee required by 175-10.1-610 shall be paid by check made payable to the "Commonwealth Treasurer" with a notation in the "Memo" area listing the fee being paid, and mailed to the Commonwealth's Department of Finance. No check so presented shall be deemed payment until the Commission shall be satisfied that sufficient funds are contained in the account against which it is drawn. An original receipt must be forwarded to the Commission promptly via U.S. Mail. Nothing herein prevents the Commission from receiving payment reports from the Department of Finance; however such reports do not alleviate the payor's responsibility to forward the original receipt to the Commission.

(d) All other fees shall be paid by check made payable to the "Commonwealth Casino Commission" with a notation in the "Memo" area listing the fee being paid, and mailed to the Commission. No check so presented shall be deemed payment until the Commission shall be satisfied that sufficient funds are contained in the account against which it is drawn.

(e) The Commission may provide for wire transfer of any amount owed pursuant to the Act or these Regulations.

§ 175-10.1-1215 Special Fee Assessments for Other Purpose. All investigation fees required of the casino licensee, persons who have ownership of the entity which owns or controls the casino licensee, potential transferees, service providers, casino key employees, and casino employee must be shouldered by the applicant or employer of the applicant. In cases where further investigation is warranted, the Commission may require additional funds for the completion of the investigation process. The Commission may impose other additional fees as it deems necessary.

§ 175-10.1-1220 No Proration of Fees. Where fees are to be paid annually (whether by calendar or) the Commission shall not pro-rate any fees for the remainder of the year based on when the fee was incurred.

§ 175-10.1-1225 Schedule of Fees:

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

(a) Employee License Fees (before October 1, 2015):

(1) Casino Key Employees License Fee

Prior to October 1, 2015, a fee of One Thousand Dollars (\$1,000.00) per Casino Key Employee shall be paid in full to the Commission prior to the key employee engaging in any key employee duties or responsibilities related to the Casino. This fee authorizes work for the duration of the remainder of the fiscal year in which the Casino Key employee first began his duties or responsibilities.

(2) Casino Employee License Fee

Prior to October 1, 2015, a fee of Two Hundred Fifty Dollars (\$250) per casino employee shall be paid in full to the Commission prior to the employee engaging in any duties and responsibilities. This fee authorizes work for the duration of the remainder of the fiscal year in which the Casino Employee first began his or her duties or responsibilities.

(b) Machine License Fees (before October 1, 2015):

(1) Machine license fees shall be assessed on all mechanical or video devices as part of the games available for play by patrons of the casino or Temporary Live Training Facility. These include, but are not limited to, slot machines, video poker machines, video roulette machines, pachinko machines and any and all other video, electronic, or mechanical or combination machines available for play by patrons in the casino or Temporary Live Training Facility.

(2) License fees for each machine shall be imposed on a declining scale based on the total number of machines in the casino. This fee must be remitted to the Commission prior to the beginning of operations.

- | | | |
|-------|----------------------|---|
| (i) | Machines 1-100 | \$125.00 per year, per machine |
| (ii) | Machines 101-300 | \$100.00 per year, per additional machine |
| (iii) | Machines 301 or more | \$75.00 per year, per additional machine |

(c) Gaming Table Fees (before October 1, 2015):

(1) All casino operators shall submit a list of table games for play to be approved by the Commission.

(2) Table fee shall be assessed on each gaming table available to play by the patrons in the casino at the rate of two hundred fifty dollars (\$250) per table.

(d) Casino Service Provider License. No casino Service Provider License shall be issued or renewed unless the applicant shall have first paid in full a license fee of five thousand dollars for the duration of the current fiscal year and the next fiscal year thereafter. A biannual renewal fee must be remitted, in full, to the Commission by October 1st of the second fiscal year after the original application and every second October 1st thereafter.

(e) Other Fees:

(1) Fee for Provisional Service Provider License is half of the amount listed in

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

(d) above.

- (2) Petition fee is Two Hundred Dollars.
- (3) Agent Enrollment fee is Five Hundred Dollars (\$500)
- (4) Declaratory Ruling notification list fee is One Hundred Dollars (\$100)
- (5) Other fees may be assessed by the Commission as deemed appropriate and/or listed in a Supplemental Statement of Fees published by the Commission.

(f) Casino Regulatory fee (Beginning October 1, 2015)

(1) The Casino Regulatory Fee will cover Casino Employee, Casino Key employee, Gaming Table and Machine License fees and shall be paid beginning October 1, 2015 and each October 1 thereafter. The Casino Regulatory Fee will be based on an initial Flat Fee of \$3 Million for the Annual Licensing and Regulatory Fees plus a Ten Percent (10%) annual increase. The annual increase is based on the \$3 million plus 10% compounded yearly beginning on the second year of operation and continuing thereafter until the end of the 5th year. The Fees are as follow:

Year 1:	October 1, 2015 to September 30, 2016:	\$3,000,000
Year 2:	October 1, 2016 to September 30, 2017:	\$3,300,000
Year 3:	October 1, 2017 to September 30, 2018:	\$3,630,000
Year 4:	October 1, 2018 to September 30, 2019:	\$3,993,000
Year 5:	October 1, 2019 to September 30, 2020:	\$4,392,300

(2) The Flat Fee will cover the Application and Licensing Fees of the Casino Licensee, including the annual Employee License Fees, Key Employee License Fees, and the License Fees for Slot Machines and Gaming Tables. The licensee is permitted to as many gaming staff and bring in and operate as many gaming machines and tables as it deems prudent, subject to Commission approval; the Regulatory Fees will remain the same, absent some extreme circumstance. Casino Employees and Casino Key Employees will still need to be registered and approved annually by the Commission but with no individual charge above the Casino Regulatory Fee. No Casino Employee or Casino Key Employee may conduct gaming activities or in any manner work on the casino floor until the applicable Casino Regulatory Fee has been paid. Casino service provider licensing and regulatory fees, regardless of ownership, are separate fees and not included in this category. Further, this does not include special technical audits or other related requirements;

(3) The Ten Percent (10%) annual increase will be adjusted at the end of the 5th year of the licensee's gaming operations. The annual percentage adjustment beyond the 5th year of operation will depend on the growth of the casino and gaming industry. As noted above, the amount at the end of the 5th year is projected to be \$4,392,300. This amount is projected to be the Annual Casino Licensing and Regulatory Fee for the remaining periods in the licensee's exclusive casino license (subject to adjustment should the activities of the licensee require further regulatory oversight); and,

(4) The annual Casino Regulatory Fees are encouraged to be paid upfront when due. Unless the Commission determines otherwise, Casino Regulatory Fee may be

paid in two equal installments (i.e. For the initial payment: \$1.5 Million is due on October 1, 2015 and the remaining balance of \$1.5 Million is due on or before April 1, 2016).

Part 1300 CASINO SERVICE PROVIDERS

§ 175-10.1-1301	Definitions
§ 175-10.1-1305	License Requirements
§ 175-10.1-1310	Standards for Qualifications
§ 175-10.1-1315	Disqualification Criteria
§ 175-10.1-1320	Application; Investigation; Supplementary Information
§ 175-10.1-1325	Renewal of Licenses
§ 175-10.1-1330	Record Keeping
§ 175-10.1-1335	Record of Gaming Equipment Inventory
§ 175-10.1-1340	Equipment Testing Cost
§ 175-10.1-1345	Games of Chance
§ 175-10.1-1350	Hardware Requirements
§ 175-10.1-1355	Software Requirement
§ 175-10.1-1360	Cause for Suspension, Failure to Renew, or Revocation
§ 175-10.1-1365	Fees
§ 175-10.1-1370	Exemption
§ 175-10.1-1375	Casino Service Provider License
§ 175-10.1-1380	Master Vendors List
§ 175-10.1-1385	Provisional Casino Service Provider License

§ 175-10.1-1301 Definitions The following words and terms, when used in this part, have the following meaning unless otherwise indicated.

(a) “Casino Management Company” means a company which has been previously licensed in or currently manages a casino operation in a commission approved gaming jurisdiction for the purposes of casino management services and has at least five years of casino management experience.

(b) “Gaming equipment” means any mechanical, electrical, or electronic contrivance or machine used in connection with gaming or any game and includes, without limitation, roulette wheels, roulette tables, big six wheels, craps tables, tables for card games, layouts, slot machines, cards, dice, chips, plaques, card dealing shoes, drop boxes, and other devices, machines, equipment, items, or articles determined by the Commission to be so utilized in gaming as to require licensing of the manufacturers, distributors, or services or as to require Commission approval in order to contribute to the integrity of the gaming industry.

(c) “Gaming equipment distributor” means any person who distributes, sells, supplies, or markets gaming equipment.

(d) “Gaming equipment industry” means any gaming equipment manufacturer, and

any producers or assemblers of gaming equipment(s).

(e) "Gaming equipment manufacturer" means any person who manufactures gaming equipment.

(f) "Gaming equipment servicer" means any person who maintains, services, or repairs gaming equipment.

(g) "Sales representative" means any person owning an interest in, employed by, or representing a casino service provider enterprise, who solicits the goods and services or business thereof.

§ 175-10.1-1305 License Requirements:

(a) Except as otherwise provided for herein, any enterprise that provides goods or services related to, or transacts business related with, casino or gaming activity with the casino licensee, its employees or agents must be licensed by the Commission. The following enterprises must also be licensed as a casino service provider:

(1) Any form of enterprise which manufactures, supplies or distributes devices, machines, equipment, items, or articles specifically designed for use in the operation of a casino or needed to conduct a game including, but not limited to, roulette wheels, roulette tables, big six wheels, craps tables, tables for card games, layouts, slot machines, cards, dice, gaming chips, gaming plaques, slot tokens, card dealing shoes, and drop boxes; or

(2) Any form of enterprise which provides maintenance, service, or repair pertaining to devices, machines, equipment, items, or articles specifically designed for use in the operation of a casino or needed to conduct a game; or

(3) Any form of enterprise which provides service directly related to the operation, regulation, or management of a casino including, but not limited to, gaming schools teaching gaming and either playing or dealing techniques, casino security enterprises, casino credit collection enterprises; or

(4) Any form of enterprise which provides such other goods or services determined by the Commission to be so utilized in or incidental to gaming or casino activity as to require licensing in order to contribute to the integrity of the gaming industry in the Commonwealth.

(b) The Commission may require licensure as a service provider of any other person or entity which provides, or is likely to provide, any gaming or nongaming services of any kind to the Casino Licensee or its affiliated companies in an amount greater than fifty thousand (\$50,000) dollars per year.

(c) The casino licensee shall not buy, purchase, rent, lease, or obtain any good or service from any person or entity who must be licensed pursuant to this part if such person is not in possession of a current, valid license. The Casino Gaming Licensee shall immediately terminate its association and business dealings with a person licensed pursuant to this Part upon notification from the Commission that the license of

such service provider licensee has been suspended.

(d) The Casino Gaming Licensee shall ensure that all contracts entered into with any vendor include a clause that requires the vendor to apply for a Casino Service Provider license upon demand of the Commission, and a clause cancelling and voiding the contract if the provider either does not seek or seeks but does not receive a Casino Service Provider license if demanded by the Commission.

§ 175-10.1-1310 Standards for Qualifications

(a) The general rules and regulations relating to standards for qualification set forth in Part 900 and the Regulations are incorporated herein.

(b) Each applicant required to be licensed as a casino service provider in accordance with these Regulations including gaming schools, must, prior to the issuance of any casino service provider license, produce such information, documentation, and assurances to establish by clear and convincing evidence:

(1) The financial stability, integrity, and responsibility of the applicant;

(2) The applicant's good character, honesty, and integrity;

(3) That the applicant, either himself or through his employees, has sufficient business ability and experience to establish, operate, and maintain his enterprise with reasonable prospects for successful operation;

(4) That all owners, management and supervisory personnel, principal employees and sales representatives qualify under the standards established for qualification of a casino key employee.

(5) The integrity of all financial backers, investors, mortgagees, bondholders, and holders of indentures, notes or other evidence of indebtedness, either in effect or proposed, which bears any relationship to the enterprise; and

(6) The integrity of all officers, directors, and trustees of the applicant.

(c) Each applicant required to be licensed as a casino service provider in accordance with these Regulation shall, prior to the issuance of any casino service provider license, produce such information and documentation, including without limitation as to the generality of the foregoing its financial books and records, assurances to establish by clear and convincing evidence its good character, honesty, and integrity.

(d) Any enterprise directed to file an application for a casino service provider license pursuant to these Regulations may request permission from the Commission to submit a modified form of such application. The Commission, in its discretion, may permit such modification if the enterprise can demonstrate to the Commission's satisfaction that securities issued are listed, or are approved for listing upon notice of issuance, on the New York Stock Exchange the NASDAQ, or the American Stock Exchange or any other major foreign Stock Exchange.

(e) Any modifications of a casino service provider license application permitted pursuant to this section may be in any form deemed appropriate by the Commission except that the application for modification must include the following:

(1) The appropriate Personal History Disclosure Forms for all those individuals required to so file by the Commission; and

(2) Copies of all filings required by the United States Securities and Exchange Commission including all proxy statements and quarterly reports issued by the applicant during the two immediately preceding fiscal years or reports filed pursuant to the requirements of another regulatory body dealing with securities; and

(3) Properly executed Consents to Inspections, Waivers of Liability for Disclosures of Information and Consents to Examination of Accounts and Records in forms as promulgated by the Commission; and

(4) Payment of the fee required by § 175-10.1-1225(d); and

(5) Any other information or documentation required at any time by the Commission.

§ 175-10.1-1315 Disqualification Criteria. A casino service industry license must be denied to any applicant for a casino service provider license who has failed to prove by clear and convincing evidence that he or any of the persons who must be qualified under 175-10.1-905(a) possesses the qualifications and requirements set forth in sections 175-10.1-920 and 175-10.1-925 and any other section of these Regulations.

§ 175-10.1-1320 Application; Investigation; Supplementary Information

(a) Each applicant must apply by completing an application package promulgated by the Commission and tendering payment of the amount listed in § 175-10.1-1225.

(b) The Commission may inquire or investigate an applicant, licensee, or any person involved with an applicant or licensee as it deems appropriate either at the time of the initial application and licensure or at any time thereafter. It is the continuing duty of all applicants and licensees to provide full cooperation to the Commission in the conduct of such inquiry or investigation and to provide any supplementary information requested by the Commission.

§ 175-10.1-1325 Renewal of Licenses:

(a) An application for renewal of a license shall be filed annually no later than thirty days prior to the expiration of its license. The application for renewal of a license must be accompanied by the promulgated fee and needs to contain only that information which represents or reflects changes, deletions, additions, or modifications to the information previously filed with the Commission.

(b) A change in any item that was a condition of the original license or of a license renewal must be approved by the Commission. A change in ownership shall invalidate any approval previously given by the Commission. The proposed new owner is required to submit an application for licensure and evidence that he is qualified for licensure.

§ 175-10.1-1330 Record Keeping:

(a) All Casino service industry licensees must maintain adequate records of business operations which shall be made available to the Commission upon request; the records must be maintained in a place secure from theft, loss, or destruction. Adequate records include:

- (1) All correspondence with the Commission and other governmental agencies on the local, Commonwealth, and national level;
- (2) All correspondence concerning the realty, construction, maintenance, or business of a proposed or existing casino or related facility.
- (3) All copies of promotional material and advertisement;
- (4) All personnel files of each employees or agent of the licensee, including sales representatives; and
- (5) All financial records of all transactions of the enterprise including, but not limited to those concerning the realty, construction, maintenance, or business in any way related to a proposed or existing casino or related facility.

(b) Adequate records as listed in subsection (a) above must be held and remain available for inspection for at least seven years.

§ 175-10.1-1335 Record of Gaming Equipment Inventory

(a) A manufacturer of all gaming machines/equipment including but not limited to slot machines, keno games, roulette, and big six wheels shall permanently affix an identification plate on each piece of gaming equipment that is clearly visible, showing an identification or serial number, the date of manufacture, and the name of the manufacturer.

(b) A manufacturer of the gaming machine/equipment must maintain a record for all periods of registration that it supplies a casino licensee or operator as a casino gaming-related supplier of gaming equipment.

(c) A casino operator or casino licensee must maintain a record of each gaming machine/equipment that includes, but not limited to:

- (1) Name of the manufacturer of each piece of gaming machine/equipment;
- (2) Date of manufacture;
- (3) Serial or identification number;
- (4) Date of delivery to the Casino operator;
- (5) Current post-delivery status;
- (6) Disposal date and method; and,
- (7) Name of purchaser at disposal.

§ 175-10.1-1340 Equipment Testing Cost:

(a) All gaming machine/equipment used in the playing of games of chance in the casino will be subject to random testing by the Commission or its agents at times to be determined by the Commission; all costs associated with the testing shall be paid or reimbursed to the commission by the casino licensee.

(b) All gaming machine/equipment must pay out a mathematically demonstrable percentage of all amounts wagered subject to the approval of the Commission.

(c) Malfunctioning gaming machine/equipment which have an impact or effect on the performance and/or payout of the game must not be made available for play.

§ 175-10.1-1345 Games of Chance:

(a) The Casino Gaming Licensee must submit to the Commission for approval, a complete listing and description of any game of chance proposed for play in a casino that the operator intends to offer for play.

(b) For each game of chance submitted, the Casino Gaming Licensee must provide the rules of play to the Commission.

§ 175-10.1-1350 Hardware Requirements

(a) Identification plates.

An unmovable identification plate containing the following information must appear on the exterior of each piece of gaming equipment and visibly identify:

- (1) Manufacturer;
- (2) Serial number; and
- (3) Model number.

(b) Power interrupts circuit.

(1) A power interrupt circuit must be installed in all appropriate gaming equipment.

(2) A battery backup device is required that is capable of maintaining accurate required information after power is discontinued.

(3) The backup device must be kept within the locked or sealed logic board compartment.

(c) Electromagnetic interference.

Each machine or other gaming equipment shall be designed and constructed so that its operation is not adversely affected by static discharge or other electro-magnetic interference.

(d) The Casino Gaming Licensee must submit its hardware accessories requirements, operational systems, and control systems, to the Commission for consideration and approval prior to use, including, but not limited to:

- (1) Coin and token mechanisms;

- (2) Bill validators;
- (3) Automatic light-alarm;
- (4) Protection of logic boards and memory components;
- (5) Hardware switches;
- (6) Drop bucket; and
- (7) Hopper.

§ 175-10.1-1355 Software Requirement. The Casino Gaming Licensee must provide to the Commission for the Commission's consideration and prior approval all software used in or in conjunction with gaming equipment and any gaming activity.

§ 175-10.1-1360 Cause for Suspension, Failure to Renew, or Revocation of a License. Any of the following is cause for suspension, refusal to renew, or revocation of a casino service industry license; refusal to renew or a revocation may be issued for sufficient cause, so as those listed but not limited to:

- (a) Violation of any provision of the Act or these Regulations;
- (b) Conduct which would disqualify the applicant, or any other person required to be qualified, if such person were applying for original licensure;
- (c) Failure to comply with all applicable Commonwealth, federal, state, and local statutes, ordinances, and regulations;
- (d) A material departure from any representation made in the application for licensure;
- (e) Conduct by the casino management company which involves issuance or acceptance of political favors, kickbacks, undue pressure, manipulation or inducement of a public official for political, regulatory, or financial gain;
- (f) Any other action or inaction by the licensee which causes the Commission to question the licensee's integrity, honesty, or which, in the Commission's sole judgment tends to discredit the Commonwealth or the Commonwealth's gaming industry.

§ 175-10.1-1365 Fees:

- (a) The fees for a Service Provider License are listed in Part 1200.
- (b) The fees for a Provisional Service Provider License are listed in Part 1200.
- (c) The casino regulatory fee are listed in part 1200.

§ 175-10.1-1370 Exemption. The Commission may, upon the written request of any person, or upon its own initiative, exempt any person or field of commerce from the casino service industry licensure requirements for any period of time for good cause

shown if the Commission determines that circumstances warrant the exemption and the public will remain protected should the exemption be granted.

§ 175-10.1-1375 Casino Service Provider License No casino service industry license will be issued unless the individual qualifications of each of the following persons have first been established in accordance with all provisions, including those cited, in the Act and of the Regulations:

(a) The enterprise;

(b) If the enterprise is, or if it is to become a subsidiary, each holding company and each intermediary company which the Commission deems necessary in order to further the purposes of the Act;

(c) Each owner of the enterprise who directly or indirectly holds any beneficial interest or ownership in excess of twenty percent (20%) of the enterprise;

(d) Each owner of a holding company or intermediary company who the Commission determines is necessary in order to further the purposes of the Act;

(e) Each director of the enterprise except a director who, in the opinion of the Commission is significantly not involved in or connected with the management or ownership of the enterprise shall not be required to qualify;

(f) Each officer of the enterprise who is significantly involved in or has authority over the conduct of business directly related to casino or gaming activity and each officer whom the Commission may consider appropriate for qualification in order to ensure the good character, honesty, and integrity of the enterprise;

(g) Each officer of a holding company or intermediary company whom the Commission may consider appropriate for qualification in order to ensure the good character, honesty, and integrity of the enterprise;

(h) The management employee supervising the regional or local office which employs the sales representative who will solicit business or deal directly with a casino licensee;

(i) Each employee who will act as a sales representative or otherwise engage in the solicitation of business from casino licensees; and

(j) Any other person whom the Commission may consider appropriate for approval or qualification.

§ 175-10.1-1380 Master Vendors List:

(a) The Casino Gaming Licensee must establish a listing of all vendors, whether

gaming or nongaming, with which it conducts business irrespective of the amount of business transacted. This listing must include, at a minimum, the following information:

- (1) Name of the company or individual, if sole proprietor;
- (2) Physical address and email of company or sole proprietor;
- (3) Amount of business for the month;
- (4) If the vendor is a company, then a listing of the owners and managers of the company;
- (5) A listing of the employees of the vendor involved with the casino gaming licensee; and
- (6) Any other information the Commission determines to be necessary to track levels of business and compliance with the Act.

(b) By no later than the fifth of each month, the Casino Gaming Licensee shall file with the Commission its master vendor list with the information set forth in subsection (a) above.

(c) The Master Vendor List is not suitable for public inspection or disclosure.

§ 175-10.1-1385 Provisional Casino Service Provider License:

(a) The Executive Director may, in his sole and absolute discretion, issue a Provisional Service Provider License to any person who applies for a license as a Casino Service Provider required by § 175-10.1-1305, provided such applicant also applies for a Provisional License pursuant to this section.

(b) The Provisional Casino Service Provider License shall be valid for such time as the applicant's Casino Service Industry License is pending with the Commission for investigation, consideration, determination of suitability and any other period before the Commission (1) grants the license; or (2) rejects the application.

(c) If the applicant withdraws his application for a Casino Service Provider License required by § 175-10.1-1305, the Provisional License issued by the Executive Director pursuant to § 175-10.1-1385(a) shall immediately expire.

(d) In determining whether to issue a Provisional Service Provider License pursuant to § 175-10.1-1385(a), the Executive Director must consider whether issuing such provisional license will bring disrepute to the Commonwealth or the gaming industry.

(e) The Executive Director shall not issue a Provisional Service Provider License to any provider who is not currently licensed as a casino service provider authorized to transact business with casinos in the State of Nevada or any other US jurisdiction. The Executive Director shall only issue a Provisional Service Provider License to a provider who is licensed as a casino service provider authorized to transact business with casinos in Nevada only for the limited purpose of providing the exact devices and services the provider is licensed to provide to casinos in the State of Nevada. No holder of a Provisional Service Provider License may provide any device, machine,

service or thing it is not presently licensed to provide to unrestricted licensees in the State of Nevada.

(f) The Executive Director may use the information the applicant supplied with his application for a Casino Service Industry License required by § 175-10.1-1305 in considering whether to issue the Provisional License, and may require any additional information he deems necessary for consideration of the issuance of the Provisional License.

(g) The application fee for the Provisional License is one half of the amount charged by the Commission for a Casino Service Industry License required by § 175-10.1-1305. This amount must be paid at the time of filing of the application for the provisional license, is a separate fee and will not be credited to any other amount owed by the applicant to the Commission or the Commonwealth.

Part 1400 HEARINGS: GENERAL PROVISIONS

§ 175-10.1-1401	Definitions
§ 175-10.1-1405	Applicability of Rules
§ 175-10.1-1410	Conduct of Contested Case Hearings
§ 175-10.1-1415	Rules Concerning All Contested Cases
§ 175-10.1-1420	Rights to Hearing; Request; Written Notice
§ 175-10.1-1425	Procedure When No Hearing is Held
§ 175-10.1-1430	Burden of Proof
§ 175-10.1-1435	Approval and Denial of Applications

§ 175-10.1-1401 Definitions As used in this chapter, the term:

(a) "Contested case" means any proceeding, including any licensing proceedings, in which the legal right, duties, obligations, privileges, benefits, or other legal relation of specific parties are required by constitutional rights or by statute to be determined by any agency by decisions, determinations, or orders, addressed to a party or disposing of its interest after opportunity for an agency hearing.

(b) "Interested person" means any person whose specific legal rights, duties, obligations, privileges, benefit, or other specific legal relation are affected by the adoption, amendment, or repeal of a specific regulation or by any decision, order, or ruling of the Commission.

(c) "Party" means any person or entity directly involved in a contested case, including petitioner, respondent, intervener, or agency of the Commonwealth of the Northern Mariana Islands proceeding in any such capacity;

(d) "Emergency Orders" means an order issued by the Commission for immediate action/relief.

§ 175-10.1-1405 Applicability of Rules

(a) In addition to the Administrative Procedure Act (APA), the provisions of the Act and these Regulations apply to an appropriate contested case hearing.

(b) To the extent that the Act inconsistent with APA, the Act shall apply. To the extent that these Regulations are inconsistent with the APA, the APA shall apply unless the Act allows for the Commission to promulgate Regulations inconsistent with the APA, in which case the Regulations shall apply.

§ 175-10.1-1410 Conduct of Contested Case Hearings:

(a) At all hearings of the Commission in contested cases, unless the Commission hears the matter directly, the Chairman may designate a member of the Commission to serve as a hearing Commissioner or shall designate a hearing examiner to serve as a hearing officer. When the Commission hears the matter directly, the Chairman must serve as presiding officer, unless he be absent in which case the Vice-Chairman shall serve as presiding officer.

(b) In the event that the designated hearing commissioner is unavailable prior to the filing of the recommended report and decision for consideration by the Commission, the Chairman may either designate another hearing Commissioner or transfer the proceedings to the entire Commission. In such event, and consistent with the requirements of due process, the Commission or the designated hearing Commissioner may either continue the hearing and render a decision upon the entire record or begin the hearing anew.

§ 175-10.1-1415 Rules Concerning All Contested Cases:

(a) Whether a contested case hearing is conducted by the Commission, by a hearing Commissioner or Hearing Examiner, in addition to any authority granted in the Act or the APA, the Chairman, the Hearing Commissioner or the Hearing Examiner, as the case may be, has the authority to:

- (1) Administer oaths and to require testimony to;
- (2) Serve process or notices in a manner provided for the service of process and notice in civil actions in accordance with the rules of court;
- (3) Issue subpoenas and compel the attendance of witnesses;
- (4) Propound written interrogatories;
- (5) Take official notice of any generally accepted information or technical or scientific manner in the field of gaming and any other fact which may judicially noticed by the courts of this Commonwealth; and
- (6) Permit the filing of amended or supplemental pleadings.

(b) Whether a contested case hearing is conducted by the Commission, a hearing commissioner or hearing examiner, and in addition to any rights granted in the Act or the APA, the parties have the right to:

- (1) Call and examine witnesses;
 - (2) Introduce exhibits relevant to the issues of the case, including the transcript of testimony at any investigative hearing conducted by or on behalf of the Commission;
 - (3) Cross examine opposing witnesses in any matters relevant to the issues of the case;
 - (4) Impeach any witness, regardless of which party called him to testify;
 - (5) Offer rebuttal evidence; and
 - (6) Stipulate and agree that certain specified evidence may be admitted, although such evidence may be otherwise subject to objection.
- (c) In any contested case, the Commission has authority to:
- (1) Grant testimonial immunity, and
 - (2) Order a rehearing.
- (d) In any contested case held, the following special rules of evidence apply:
- (1) Any relevant evidence, not subject to a claim of privilege, may be admitted regardless of any rule of evidence which would bar such evidence in judicial matters;
 - (2) Evidence admitted pursuant to (c)(1) above is sufficient in itself to support a finding if it is the sort of evidence upon which responsible persons are accustomed to rely in the conduct of serious affairs; and
 - (3) If an applicant, licensee, registrant, or person that is qualified pursuant to the Act and these Regulations is a party, then such party may testify on its behalf; the party may also be called and examined as if under cross-examination in a judicial matter.

§ 175-10.1-1420 Rights to Hearing; Request; Notice

- (a) When the Commission has been provided with all required information necessary for action, the Commission must serve the applicant personally by certified mail, to the address on file with the Commission or by facsimile or electronic mail, or secured email, a written notice of the applicant's right to a hearing and the applicant's responsibility to request a hearing; the Commission may on its own motion direct a hearing to be held.
- (b) The applicant may file with the Commission a request for hearing within fifteen (15) days after service of the written notice of right to a hearing and responsibility to request a hearing.

§ 175-10.1-1425 Procedure When No Hearing is Held In any case in which no timely request for a hearing has been filed in which the Commission has not directed a hearing, the Commission must take a final action on the application within ninety days after the receipt of all required information and the completion of any investigation.

§ 175-10.1-1430 Burden of Proof:

- (a) The applicant, licensee, or registrant has the affirmative responsibility of

establishing its individual qualifications by clear and convincing evidence.

(b) An applicant for a casino license has the affirmative responsibility of establishing by clear and convincing evidence:

- (1) Individual qualification;
- (2) The qualification of each person who is required to be qualified under these Regulations; and
- (3) The qualification of the facility in which the casino is to be located.

§ 175-10.1-1435 Approval and Denial of Applications

(a) The Commission has the authority to grant or deny any application pursuant to the provisions of the Act and of these Regulations;

(b) Before granting any application other than for a casino license, the Commission must:

- (1) Limit or place such restrictions thereupon as the Commission may deem necessary in the public interest; and
- (2) Require the applicant to tender all license fees as required by law and regulations adopted pursuant to the Act.

Part 1500 RULES CONCERNING PROCEEDINGS AGAINST APPLICANTS, LICENSEES, AND REGISTRANTS:

§ 175-10.1-1501	Commencement of Complaint
§ 175-10.1-1505	Service of Complaint
§ 175-10.1-1510	Notice of Defense
§ 175-10.1-1515	Right to Hearing; Waiver
§ 175-10.1-1520	Notice of Hearing
§ 175-10.1-1525	Revocation of License or Registration; Hearing

§ 175-10.1-1501 Commencement of Complaint. Any proceeding against an applicant, temporary licensee, provisional licensee, or licensee must be initiated and indicated by a written complaint; the complaint must include a statement set forth in an ordinary and concise language the charges and acts or omissions supporting such charges.

§ 175-10.1-1505 Service of Complaint. Within fourteen (14) days of filing of the complaint, the Commission must serve a copy upon the applicant, temporary licensee, provisional licensee, or licensee personally, by certified mail, by facsimile, or electronic mail or by secured email to the physical or email address on the file with the Commission.

§ 175-10.1-1510 Notice of Defense:

- (a) Within fifteen (15) days after service of the complaint, the applicant, licensee, or registrant may file with the Commission a notice of defense, in which he may:
- (1) Request a hearing;
 - (2) Admit or deny the allegations in whole or in part;
 - (3) Present new matters or explanations by way of defense; or
 - (4) State any legal objection to the complaint.
- (b) Within the time specified, the applicant or licensee may file one or more notices of defense upon any or all of the above grounds.
- (c) The failure to specifically deny any fact, issue or part of the complaint serves as an admission thereto.

§ 175-10.1-1515 Right to Hearing; Waiver. The applicant or licensee is entitled to an evidentiary hearing on the complaint if it files and serves the required notice of defense within the time allowed herein; such notice of defense is deemed a specific admission of all parts of the complaint which are not expressly denied. Failure to file and serve a notice of defense within such time constitutes a waiver of the right of the hearing, but the Commission, in its discretion may nevertheless order a hearing. All affirmative defenses must be specifically stated, and unless objection is taken, as provided therein, all objections to the form of complaint is deemed waived.

§ 175-10.1-1520 Notice of Hearing. The Commission will determine the time and place of hearing as soon as is reasonably practical after receiving the notice of defense. The Commission will deliver or send by certified mail, facsimile, or email a notice to all parties at least ten (10) days prior to the hearing.

§ 175-10.1-1525 Revocation of License or Registration; Hearing:

- (a) The Commission will not revoke or suspend any license unless it has first afforded the licensee opportunity for a hearing.
- (b) Notwithstanding (a) above, the Executive Director may suspend a temporary casino employee license or temporary key employee license pursuant to 175-10.1-1915 without a hearing but notice must be provided to the employee or key employee and the casino licensee of such suspension and the applicant shall be given an opportunity to cure the deficiency promptly.

§ 175-10.1-1530 Emergency Orders; Hearings; Complaints Within five (5) days after the issuance of an emergency order pursuant to these Regulation, the Commission will cause a complaint to be filed and served upon the person involved in accordance with the provisions of this Part. Thereafter, the person against whom the emergency order has been issued and served is entitled to a hearing before the Commission. A person may request a hearing in accordance with the provisions of §

175-10.1-1510.

Part 1600 PETITIONS FOR DECLARATORY RULINGS

§ 175-10.1-1601	Definitions
§ 175-10.1-1605	Purpose of Declaratory Judgments
§ 175-10.1-1610	Petitions for Declaratory Judgments
§ 175-10.1-1615	Scheduling of Petitions for Hearing
§ 175-10.1-1620	Response, Comments, Briefs, Appearances
§ 175-10.1-1625	Disposition of Petitions

§ 175-10.1-1601 Definitions

(a) Definitions:

1. "Contested case" means any pending license suspension or revocation proceeding pursuant to these Rules.

2. "Declaratory ruling" means a ruling on the meaning or application of a statute, regulation or decision or order entered by the Commission, and does not include the granting of approvals, findings of suitability, or other determinations that require the filing of an application as defined by the Commission.

3. "Interested person" means any applicant, licensee, registrant, person found suitable or unsuitable, or a group or association of such licensees, registrants or persons. The term also includes a governmental agency or political subdivision of the Commonwealth.

4. "Petitioner" means an interested person who has filed a petition for a declaratory ruling in accordance with the provisions of subsection § 175-10.1-230(c).

5. "Regulatory comment" means a written statement or prepared testimony of the Executive Director that analyzes any issue raised by a petition for a declaratory ruling without taking a position in opposition to or in support of such a petition.

§ 175-10.1-1605 Purpose of declaratory rulings. A declaratory ruling is an extraordinary remedy that may be considered by the Commission only when the objective of the petitioner cannot reasonably be achieved by other means and when the ruling would be significant to the regulation of gaming or to the gaming industry.

§ 175-10.1-1610 Petitions for declaratory rulings:

(a) Any person may petition the Commission for a declaratory ruling.

(b) A petition for a declaratory ruling shall be filed with the Secretary, together with a nonrefundable filing fee in to the Commission in the amount of Two Hundred Dollars (\$200) unless the petitioner is the Commission or a governmental agency or political subdivision of the Commonwealth, in which case there shall be no filing fee. A copy of the petition must be served by the petitioner upon the Attorney General within 3 working days of the date of filing.

(c) The Secretary shall maintain and keep current a list of persons who have requested notice of petitions for declaratory rulings and shall transmit a copy of such list to a petitioner as soon as practicable after the filing of a petition for declaratory ruling. Persons shall pay a fee of One Hundred Dollars (\$100.00) per fiscal year for inclusion on the list, but such fee is waived for governmental agencies and political subdivisions of the Commonwealth. The petitioner shall serve a copy of the petition by personal delivery or first-class mail upon each person on such list no later than seven (7) days after receiving such list and shall provide an affidavit of service to the secretary. Each person receiving a copy of the petition for declaratory ruling may, within seven (7) days after receipt, request the Secretary to provide him notice of the time set for the hearing on the petition for declaratory ruling.

(d) The petition for a declaratory ruling must contain:

- (1) The name, business address and telephone number of the petitioner;
- (2) A statement of the nature of the interest of the petitioner in obtaining the declaratory ruling;
- (3) A statement identifying the specific statute, regulation or commission decision or order in question;
- (4) A clear and concise statement of the interpretation or position of the petitioner relative to the statute, regulation or commission decision or order in question;
- (5) A description of any contrary interpretation, position or practice that gives rise to the petition;
- (6) A statement of the facts and law that support the interpretation of the petitioner;
- (7) A statement of any contrary legal authority including authority that is binding and merely persuasive;
- (8) A statement showing why the subject matter is appropriate for Commission action in the form of a declaratory ruling and why the objective of the petitioner cannot reasonably be achieved by other administrative remedy;
- (9) A statement identifying all persons or groups who the petitioner believes will be affected by the declaratory ruling, including the gaming industry as a whole, and the manner in which the petitioner believes each person will be affected;
- (10) The signature of the petitioner or his legal representative; and
- (11) An affidavit of service upon the Attorney General.

(e) An interested person may not file a petition for declaratory ruling involving questions or matters that are issues in a contested case in which the interested person is a party.

§ 175-10.1-1615 Scheduling of petitions for hearing:

(a) If, within thirty (30) days of the date the petition for declaratory ruling was filed, the Chairman does not cause the Secretary to schedule the petition for declaratory ruling for hearing at a meeting of the Commission, the Secretary shall notify the other members of the Commission. Any member of the commission may, within fifteen (15) days of such notification, cause the secretary to schedule the petition for declaratory

ruling for hearing at a meeting of the Commission.

(b) The Executive Director shall notify the Chairman through the secretary within thirty (30) days of the date the petition for declaratory ruling was filed if the Executive Director objects to consideration of the petition.

(c) The Chairman and any other Member may consult with the Executive Director or legal counsel or any employee of the Commission before deciding whether to cause a petition for declaratory ruling to be scheduled for hearing at a meeting of the Commission.

(d) If a petition for declaratory judgment is not scheduled for hearing pursuant to this subsection, it is deemed dismissed.

§ 175-10.1-1620 Response to petition; regulatory comments; briefs and appearances by interested persons

(a) If a petition is scheduled for a hearing at a meeting of the Commission, the Secretary shall give the Petitioner, the Executive Director and each person requesting notice of hearing pursuant to § 175-10.1-1610(c) at least thirty (30) days' notice of the time set for the hearing.

(b) The Executive Director may file with the Commission a written response in opposition to or in support of a petition for declaratory ruling no later than thirty (30) days after notice from the Secretary, unless the time is extended by the Chairman.

(c) The Executive Director may file with the Commission a regulatory comment at any time at least ten (10) days before the time set for the hearing on the petition for a declaratory ruling.

(d) The Petitioner and any interested person may file a brief in support of or in opposition to a petition for declaratory ruling at least thirty (30) days before the time set for the hearing on the petition for declaratory ruling. Such brief shall substantially comply with the requirements for petitions for declaratory rulings provided in § 175-10.1-1610.

(e) The petitioner may file a reply to a response by the Executive Director or a brief by another interested person at least 15 days before the time set for the hearing on the petition for declaratory ruling.

(f) The Commission, in the discretion of the Chairman, may permit the Petitioner or interested person, whether or not he filed a brief, to present oral argument at the hearing on the petition for declaratory ruling.

§ 175-10.1-1625 Disposition of petitions for declaratory ruling.

(a) The Commission, with or without oral argument, may dismiss the petition, in whole or in part, for any reason.

(b) If the Commission issues a ruling on the petition, its order shall delineate the Commission's interpretation of the meaning or application of the statute, regulation, decision or order that is the subject of the petition.

Part 1700 HEARING ON REGULATIONS

§175-10.1-1701 Hearings on Regulations

§ 175-10.1-1701 Hearings on Regulations

(a) The Commission must adopt, amend, and repeal regulations in accordance with the provisions of the Administrative Procedure Act;

(b) Consistent with the requirements of the Act and the Administrative Procedure Act, the Commission may, in its discretion, conduct hearings concerning the adoption, amendment, or repeal of its regulations.

(c) Any public hearing held in connection with the propose regulation shall be conducted in accordance with the Administrative Procedures Act.

(d) The Commission must provide at least fifteen (15) days notice of any public hearing conducted in connection with the proposed regulation. Such notice must be published in the Commonwealth Register or provided in a manner reasonably calculated to reach the interested public in accordance with 1 CMC § 9104.

(e) At the hearing held in connection with the proposed regulations, all people will be afforded the opportunity to attend and to appear before the Commission to submit oral testimony in support of or in opposition to the proposed regulations. Such participation does not include the right to present evidence or to cross-examine witnesses, which may be permitted solely in the discretion of the Commission.

(1) The Commission may require notice in advance of the date of the proceedings of any individual's intent to participate.

(2) This section shall not be construed to establish a right of any individual to appear before the Commission in the event that the Commission may act at a subsequent date to adopt the proposed regulations.

Part 1800 OPERATION GENERALLY

§175-10.1-1801	Methods of Operation
§175-10.1-1805	Grounds for disciplinary action
§175-10.1-1810	Publication of Payoffs
§175-10.1-1815	Criminal Convictions as grounds for revocation
§175-10.1-1820	Violation of law or Regulations
§175-10.1-1825	Investigation of conduct of licensees generally
§175-10.1-1830	Reports of violations and felony convictions
§175-10.1-1835	Access to Premises and production of records

§175-10.1-1840	Summoning of licensee
§175-10.1-1845	Unauthorized games
§175-10.1-1850	Unlicensed games or devices
§175-10.1-1855	Collection of gaming credit
§175-10.1-1860	Surveillance systems

§ 175-10.1-1801 Methods of operation:

(a) It is the policy of the Commission to require that all establishments wherein gaming is conducted in this Commonwealth be operated in a manner suitable to protect the public health, safety, morals, good order and general welfare of the inhabitants of the Northern Mariana Islands.

(b) Responsibility for the employment and maintenance of suitable methods of operation rests with the licensee, and willful or persistent use or toleration of methods of operation deemed unsuitable will constitute grounds for license revocation or other disciplinary action.

§ 175-10.1-1805 Grounds for disciplinary action:

(a) The Commission deems any activity on the part of the Casino Gaming Licensee, its agents or employees, that is inimical to the public health, safety, morals, good order and general welfare of the people of the Commonwealth, or that would reflect or tend to reflect discredit upon the Commonwealth of the Northern Mariana Islands or the gaming industry, to be an unsuitable method of operation and shall be grounds for disciplinary action by the Commission in accordance with the Act and the Regulations.

(b) Without limiting the generality of the foregoing, the following acts or omissions, in addition to any other act or omission deemed an unsuitable method by the Commission, may be determined to be unsuitable methods of operation:

1. Failure to exercise discretion and sound judgment to prevent incidents which might reflect on the repute of the Commonwealth and act as a detriment to the development of the industry.

2. Permitting persons who are visibly intoxicated to participate in gaming activity.

3. Complimentary service of intoxicating beverages in the casino area to persons who are visibly intoxicated.

4. Failure to conduct advertising and public relations activities in accordance with decency, dignity, good taste, honesty and inoffensiveness, including, but not limited to, advertising that is false or materially misleading.

5. Catering to, assisting, employing or associating with, either socially or in business affairs, persons of notorious or unsavory reputation or who have extensive police records, or persons who have defied congressional investigative committees, or other officially constituted bodies acting on behalf of the United States, or any state, or commonwealth or territory, or persons who are associated with or support subversive movements, or the employing either directly or through a contract, or any other means, of any firm or individual in any capacity where the repute of the Commonwealth or the

gaming industry is liable to be damaged because of the unsuitability of the firm or individual or because of the unethical methods of operation of the firm or individual.

6. Employing in a position for which the individual could be required to be licensed as a key employee pursuant to the provisions of these Regulations, any person who has been denied a state gaming license on the grounds of unsuitability or who has failed or refused to apply for licensing as a key employee when so requested by the Commission.

7. Employing in any gaming operation any person whom the Commission or any court has found guilty of cheating or using any improper device in connection with any game, whether as a licensee, dealer, or player at a licensed game or device; as well as any person whose conduct of a licensed game as a dealer or other employee of a licensee resulted in revocation or suspension of the license of such licensee.

8. Failure to comply with or make provision for compliance with all federal, Commonwealth, state and local laws and regulations and with all Commission approved conditions and limitations pertaining to the operations of a licensed establishment including, without limiting the generality of the foregoing, payment of all license fees, withholding any payroll taxes, liquor and entertainment taxes. The Commission in the exercise of its sound discretion can make its own determination of whether or not the licensee has failed to comply with the aforementioned, but any such determination shall make use of the established precedents in interpreting the language of the applicable statutes. Nothing in this section shall be deemed to affect any right to judicial review.

9. (1) Possessing or permitting to remain in or upon any licensed premises any cards, dice, mechanical device or any cheating device whatever, the use of which is prohibited by statute or regulation, or

(2) Conducting, carrying on, operating or dealing any cheating or thieving game or device on the premises, either knowingly or unknowingly, which may have in any manner been marked, tampered with or otherwise placed in a condition, or operated in a manner, which tends to deceive the public or which might make the game more liable to win or lose, or which tends to alter the normal random selection of criteria which determine the results of the game.

10. Failure to conduct gaming operations in accordance with proper standards of custom, decorum and decency, or permit any type of conduct in the gaming establishment which reflects or tends to reflect on the repute of the Commonwealth and act as a detriment to the gaming industry.

11. Issuing credit to a patron to enable the patron to satisfy a debt owed to another licensee or person, including an affiliate of the licensee.

12. Whenever a licensed game, machine or gaming activity is available for play by the public, failing to have a licensed employee of the licensee present on the premises to supervise the operation of the game, machine or activity;

13. Denying any Commission member or agent, upon proper and lawful demand, access to, inspection or disclosure of any portion or aspect of a gaming establishment as authorized by applicable statutes and regulation.

§ 175-10.1-1810 Publication of payoffs:

(a) Except as specifically provided herein, payoff schedules or award cards applicable to every licensed game or slot machine shall be displayed at all times either on the table or machine or in a conspicuous place immediately adjacent thereto. In the case of craps, keno and faro games the foregoing requirement will be satisfied if published payoff schedules are maintained in a location readily accessible to players and notice of the location of such schedule is posted on or adjacent to the table. In the case of slot machines, the foregoing requirements will be satisfied if:

1. The player is at all times made aware that payoff schedules or award cards applicable to any game offered for play are readily accessible and will be displayed on the video display screen of the device upon the initiation of a command by the player, or
2. The award cards of any game offered for play are displayed at all times when the device is available for play.

(b) Payoff schedules or award cards must accurately state actual payoffs or awards applicable to the particular game or device and shall not be worded in such manner as to mislead or deceive the public. Maintenance of any misleading or deceptive matter on any payoff schedule or award card or failure on the part of a licensee to make payment in strict accordance with posted payoff schedules or award cards may be deemed an unsuitable method of operation.

§ 175-10.1-1815 Criminal conviction grounds for revocation or suspension. The Commission may revoke or suspend any license issued by the Commission or finding of suitability of a person who is convicted of a crime, even though the convicted person's post-conviction rights and remedies have not been exhausted, if the crime or conviction discredits or tends to discredit the Commonwealth or the gaming industry.

§ 175-10.1-1820 Violation of law or regulations. Violation of any provision of the Act or of these Regulations by a licensee, his agent or employee shall be deemed contrary to the public health, safety, morals, good order and general welfare of the inhabitants of the Commonwealth and grounds for suspension or revocation of a license. Acceptance of a Commonwealth gaming license or renewal thereof by a licensee constitutes an agreement on the part of the licensee to be bound by all of the regulations of the Commission as the same now are or may hereafter be amended or promulgated. It is the responsibility of the licensee to keep himself informed of the content of all such regulations, and ignorance thereof will not excuse violations.

§ 175-10.1-1825 Investigation of conduct of licensees, generally. Any gaming license, including but not limited to: a casino license, a service provider license, a casino employee license and a key casino employee license is a revocable privilege, and no holder thereof shall be deemed to have acquired any vested rights therein or thereunder. The burden of proving his qualifications to hold any license rests at all times on the licensee. The Commission is charged by law with the duty of observing the conduct of all licensees to the end that licenses shall not be held by unqualified or disqualified persons or unsuitable persons or persons whose operations are conducted in an unsuitable manner.

§ 175-10.1-1830 Reports of violations and of felony convictions:

(a) The Casino Gaming Licensee, each service provider licensee, each casino employee licensee and each key casino employee licensee shall immediately notify the Commission by telephone of: (1) any violation or suspected violation of any gaming law regarding which the licensee has notified the local police and (2) the discovery of any violation of the Act, Regulations, Minimum Internal Control Standards, or Internal Control Standards.

(b) Any person holding a license, registration, or finding of suitability who is convicted of a felony in the Commonwealth or is convicted of an offense in another state or jurisdiction which would be a felony if committed in the Commonwealth shall notify the Commission in writing within ten (10) business days of such conviction.

§ 175-10.1-1835 Access to premises and production of records:

(a) No applicant for any gaming license, including but not limited to: a casino gaming license, a service provider license, a casino employee license and a key casino employee license, shall neglect or refuse to produce records or evidence or to give information upon proper and lawful demand by a Commission member or any agent of the Commission or shall otherwise interfere, or attempt to interfere, with any proper and lawful efforts by the Commission, or any Commission agent to produce such information.

(b) No licensee or enrolled person shall neglect or refuse to produce records or evidence or to give information upon proper and lawful demand by a Commission member or any agent of the Commission or shall otherwise interfere, or attempt to interfere, with any proper and lawful efforts by the Commission, or any Commission agent to produce such information.

(c) Each licensed manufacturer, licensed distributor or seller, licensed casino and licensed casino service provider, shall immediately make available for inspection by any Commission member or agent all papers, books and records produced by any gaming business and all portions of the premises where gaming is conducted or where gambling devices or equipment are manufactured, sold or distributed. Any Commission member or agent shall be given immediate access to any portion of the premises of any casino licensee or casino service provider for the purpose of inspecting or examining any records or documents required to be kept by such licensee under the Regulations and any gaming device or equipment or the conduct of any gaming activity.

§ 175-10.1-1840 Summoning of licensee. The Commission may summon any licensee or its agents or employees to appear to testify before it or its agents with regard to the conduct of any licensee or the agents or employees of any licensee. All such testimony shall be under oath and may embrace any matters which the Commission or its agents may deem relevant to the discharge of its official duties. Any person so summoned to appear shall have the right to be represented by counsel. Any

testimony so taken may be used by the Commission as evidence in any proceeding or matter then before it or which may later come before it. Failure to so appear and testify fully at the time and place designated, unless excused by the Commission, shall constitute grounds for the revocation or suspension of any license held by the person summoned, his principal or employer.

§ 175-10.1-1845 Unauthorized games. No Casino Gaming Licensee shall permit any game to be operated or played without first applying for and receiving permission from the Commission to operate such game. The violation of this regulation may be deemed an unsuitable method of operation.

§ 175-10.1-1850 Unlicensed games or devices:

(a) No unlicensed gambling games shall be operated upon the premises of the Casino Gaming Licensee, nor shall the licensee expose in an area accessible to the public any machine, fixture, table, or device which may be used in the operation of a gambling game without first having paid all current fees and taxes applicable to such games.

(b) Whenever the Casino Gaming Licensee desires to temporarily remove or suspend a game from a licensed status, the licensee shall provide advanced written notice to the Commission stating the type and number of games sought to be suspended, the initial date and duration of the proposed suspension, and in addition to such notice, the licensee shall thereafter physically remove the gaming device from any area exposed to the public.

(c) Before any game or gaming device suspended from a licensed status in accordance with the foregoing procedure may be reactivated and placed into play, the Casino Gaming Licensee shall advise the Commission in writing of its intention and date to reactivate such game, and pay all fees and taxes applicable to said game, and upon the Commission's re-inspection of any gaming device previously sealed, the game may be exposed to play.

§ 175-10.1-1855 Collection of gaming credit:

(a) Only bonded, duly licensed collection agencies, or a licensee's employees, junket representatives, or attorneys, may collect, on the Casino Gaming Licensee's behalf and for any consideration, gaming credit extended by the licensee.

(b) Notwithstanding the provisions of subsection (a), the Casino Gaming Licensee shall not permit any person who has been found unsuitable, or who has been denied a gaming license of any kind, or who has had a gaming license of any kind revoked, to collect, on the licensee's behalf and for any consideration, gaming credit extended by the Casino Gaming Licensee.

(c) Each licensee shall maintain for the Commission's inspection records that describe credit collection arrangements and that include any written contracts entered into with

the persons described in subsection (a).

§ 175-10.1-1860 Surveillance systems:

(a) The Commission shall adopt standards for the installation, maintenance and operation of casino surveillance systems at all licensed establishments. The purposes of a casino surveillance system are to assist the Casino Gaming Licensee and the Commonwealth in safeguarding the licensee's assets, in deterring, detecting and prosecuting criminal acts, and in maintaining public confidence and trust that licensed gaming is conducted honestly and free of criminal elements and activity.

(b) The Casino Gaming Licensee shall install, maintain and operate a casino surveillance system in accordance with the casino surveillance standards adopted by the Commission. The failure of a licensee to comply with this section and the casino surveillance standards adopted by the Commission is an unsuitable method of operation.

(c) The Casino Gaming Licensee must submit a written casino surveillance system plan to the Commission. The plan must be in a form approved or required by the Commission, and must include a description of all equipment utilized in the casino surveillance system, a blueprint or diagram that shows all of the areas to be monitored and the placement of surveillance equipment in relation to the activities being observed, a description of the procedures utilized in the operation of the casino surveillance system, and any other information required by the casino surveillance standards. If the licensee does not conduct an activity that is addressed in the casino surveillance standards, then the plan must include a statement to that effect. The plan must be amended and the amendments to the plan or the plan as amended must be submitted to the Commission on an annual basis by each licensee, to reflect any modification made to the licensee's casino surveillance system during the preceding year that resulted from (1) the repeal or revision of any existing casino surveillance standard or the adoption of any new casino surveillance standard, (2) a change in the layout or configuration of any area required to be monitored, or (3) any exemption granted by the Commission. If no such modifications were made, then the licensee must submit a statement to the Commission to that effect.

Part 1900

GAMING EMPLOYEE LICENSURE

§ 175-10.1-1901	Licensure Required: Casino Employee
§ 175-10.1-1905	Licensure Required: Casino Key Employee
§ 175-10.1-1910	Temporary Licensure
§ 175-10.1-1915	Suspension and reinstatement of temporary licensure
§ 175-10.1-1920	Investigation, criteria for objection; objection
§ 175-10.1-1925	Duties of Casino Licensee
§ 175-10.1-1930	System of Records, Contents
§ 175-10.1-1935	Petition for hearing to reconsider objection to registration or to reconsider suspension or revocation of registration

- § 175-10.1-1940 Criminal convictions as grounds for revocation
§ 175-10.1-1945 Violation of law or regulations

§ 175-10.1-1901 Licensure required: Casino Employee

(a) No person shall be employed as a casino employee unless such person is temporarily licensed or licensed as a casino employee in accordance with these Regulations.

§ 175-10.1-1905 Licensure required: Casino Key Employee

(a) No person shall be employed as a casino key employee unless such person is temporarily licensed or licensed as a casino key employee in accordance with these Regulations.

§ 175-10.1-1910 Temporary Licensure:

(a) A person is deemed temporarily licensed as a casino employee or casino key employee upon submission by the casino licensee of an Application for Licensure to the Commission for the applicant, unless otherwise determined by the Commission or the Executive Director. The person to be employed is not the applicant and is merely a beneficiary of the application process. The Casino Licensee may withdraw the application at any time without notice to or approval from the proposed employee beneficiary.

(b) The Application for Licensure is an application package, in electronic or paper form, containing all the components of a complete application for registration for a casino employee or a casino key employee or renewal of licensure of the same consisting of:

1. The online or paper form for application promulgated by the Executive Director for Licensure or renewal of licensure as a casino employee or casino key employee in electronic or paper form; and
2. Two sets of fingerprints of the applicant or, if applicable, proof that the applicant's fingerprints were previously submitted electronically or by another means to the Commission;
3. The applicable fee for licensure or renewal (either § 175-10.1-1225(a) or (f)); and
4. The statement promulgated in § 175-10.1-925.

(c) Temporary licensure as a casino employee or casino key employee is valid for a period of 180 days after an application for licensure is received by the Commission, unless objected to by the Executive Director, or otherwise suspended or revoked.

(d) The Executive Director may promulgate different forms for casino employees and casino key employee applications.

§ 175-10.1-1915 Suspension and reinstatement of temporary licensure

- (a) The Executive Director may suspend the temporary licensure of an applicant if he determines that:
1. The application for licensure received from the applicant is not complete;
 2. The handwriting exemplar is illegible;
 3. The fingerprints submitted by the applicant are illegible or unclassifiable;
- or
4. The protection of the public welfare requires immediate suspension.
- (b) The Executive Director shall suspend the temporary licensure of an applicant if he determines that the statement promulgated in § 175-10.1-925 is not completed, not signed, or the applicant indicates on the statement that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the Attorney General or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.
- (c) If the Executive Director suspends the temporary Licensure of an applicant pursuant to subsections (a)(1) or (2), he shall notify the applicant and the Casino Gaming Licensee of such suspension.
- (d) An applicant whose temporary licensure is suspended pursuant to subsections (a)(1) or (2), shall not be eligible to work as a casino employee or casino key employee until such time as he rectifies the cause for such suspension and the Executive Director reinstates his temporary Licensure. If an applicant rectifies the cause for his suspension and the Executive Director reinstates his temporary Licensure, the period of time in which the applicant's temporary licensure was suspended pursuant to this regulation shall not be included in measuring the 180-day period in which the Executive Director may object to such temporary Licensure of the applicant. An applicant whose temporary licensure is suspended pursuant to subsections (a)(4), shall not be eligible to work as a casino employee or casino key employee until such time as the Executive Director or the Chairman lifts the temporary suspension prior to a hearing, or the Commission lifts the suspension after a hearing.

§ 175-10.1-1920 Investigation; criteria for objection; objection:

- (a) Upon receipt of an application for Licensure as a casino employee or casino key employee, the Executive Director shall review it for completeness.
- (b) Unless the Executive Director, after reviewing an application for licensure, suspends the temporary licensure of the applicant pursuant to 175-10.1-1915, he shall conduct an investigation of the applicant to determine whether he is eligible to be or continue to be licensed as a casino employee or casino key employee.
- (c) The Executive Director may object to the licensure of an applicant within 180 days after receipt of a complete application for licensure based on any action or inaction of the applicant that the Executive Director determines is inimical to the public health, safety, morals, good order and general welfare of the people of the

Commonwealth, or that would reflect or tend to reflect discredit upon the Commonwealth or the gaming industry. The Executive Director may object to the licensure of an applicant based on the association of the applicant with any person who the Executive Director determines is inimical to the public health, safety, morals, good order and general welfare of the people of the Commonwealth, or who reflects or tends to reflect discredit upon the Commonwealth or the gaming industry.

(d) If the Executive Director objects to the Licensure of an applicant pursuant to this regulation, the Executive Director shall notify:

1. The applicant of the objection and the right to apply for a hearing pursuant to these Regulations; and
2. The casino licensee.

(e) The failure of an applicant to seek review of a determination that he is not eligible for licensure as a casino employee or casino key employee shall be deemed to be an admission that the objection is well founded and such failure precludes administrative or judicial review.

(f) If, after receiving notice per (d)(2) above, the Casino Gaming Licensee no longer wishes to employ the applicant, it shall provide notice to the Executive Director and withdraw the application. If the casino licensee withdraws the application, no license will be granted and the matter will be deemed closed.

(g) If the Executive Director does not object to the licensure of an applicant pursuant to this Part, the applicant shall be deemed licensed as a casino employee or casino key employee and is eligible for employment with the Casino Gaming Licensee in the Commonwealth until such registration expires per its terms or per these Regulations, is suspended, or is revoked per these Regulations.

§ 175-10.1-1925 Duties of Casino licensee:

(a) The Casino Gaming Licensee shall not knowingly employ any person as a casino employee or casino key employee unless such person is temporarily licensed or licensed as a casino employee or casino key employee. A licensee shall check, and may rely on, the system of records maintained by the Commission to verify the temporary licensure, licensure or eligibility of a person seeking employment as a casino employee or casino key employee.

(b) The Casino Gaming Licensee shall only access the system of records after a person applies for a position as a casino employee or casino key employee solely to determine whether the person is licensed, temporarily licensed, or subject to objection, suspension or revocation, or to initiate an application transaction in the Commission's online gaming employee licensure system. The Casino Gaming Licensee shall maintain written documentation establishing that it received an application for employment from a person for a position as a casino employee or casino key employee prior to accessing the system of records and shall retain such documentation for at least five

(5) years.

(c) Before the Casino Gaming Licensee grants any employee access to the system of records maintained by the Commission, it shall provide the Commission with the name, social security number and date of birth of such employee. Upon the termination of employment of such employee or the reassignment of such employee to a position that no longer requires him to access the system of records, the Casino Gaming Licensee shall immediately notify the Commission of such termination or reassignment. The information contained within the system of records is confidential and must not be disclosed by such employee or the Casino Gaming Licensee.

(d) If the Casino Gaming Licensee determines, after accessing the system of records maintained by the Commission, that a person seeking employment or renewal as a casino employee or casino key employee with such licensee is not temporarily licensed or licensed as a casino employee or casino key employee, and is not subject to objection, suspension or revocation, the casino licensee shall provide the person with a form for application, the child support statement promulgated in § 175-10.1-925 and instruct the person to:

1. Complete the form for application and the child support statement;
2. Obtain two complete sets of fingerprints;
3. Complete an online payment by credit or debit card through the Commission's online gaming employee licensure system or obtain a money order, cashier's check or voucher in the amount promulgated by the Commission in accordance with these Regulations, or arrange for the casino licensee to make the payment; and
4. Unless otherwise promulgated by the chairman, complete the application for gaming employee licensure online via the Commission's online gaming employee licensure system or return a completed paper application for licensure to the licensee in a sealed envelope, or in any other confidential manner permitted by the Commission, for the casino licensee's submission to the Commission.

(e) If the Casino Gaming Licensee determines, after accessing any system of records maintained by the Commission, that a person seeking employment or renewal as a casino employee or casino key employee with such licensee is subject to objection, suspension or revocation, the Casino Gaming Licensee shall:

- (1) Not accept an application for licensure from such person; and
- (2) Notify the person that he must contact the Commission in order to pursue reversal or removal of such objection, suspension or revocation.

(f) The Casino Gaming Licensee which instructs a person to obtain two complete sets of fingerprints shall be responsible for payment of the fees charged by the Commonwealth, the Federal Bureau of Investigation, or any other agency the Commission approves, for processing such fingerprints.

(g) Upon receipt of an application for licensure, the Casino Gaming Licensee shall

mail or deliver it to the Commission within five (5) business days.

(h) The application for licensure is confidential and shall not be accessed or used for any purpose by a licensee unless otherwise permitted by law, or prior, written consent is given by the person seeking employment.

(i) The Casino Gaming Licensee shall immediately reassign to a position that does not require licensure as a casino employee or casino key employee a person it has employed or contracted with as a casino employee or casino key employee if the Executive Director notifies a licensee that the temporary licensure or licensure of the person it has employed as a casino employee or casino key employee has been objected to by the Executive Director, or otherwise suspended or revoked. The Casino Gaming Licensee also may, in its sole judgment, terminate the employment relationship.

(j) On or before the fifteenth (15th) day of each month, the casino licensee shall submit a written report to the Commission containing the name, social security number, position held, and date of hire of each casino employee or casino key employee hired during the previous month.

(k) On or before the fifteenth (15th) day of the ensuing month after a calendar quarter, the casino licensee shall enter a termination date for all casino employees or casino key employees terminated or separated from service within the preceding quarter into the Commission's online gaming employee licensure system or submit a written report to the Commission containing the name, social security number, position held, and date of termination or separation of all casino employees or casino key employees terminated or separated from service within the preceding quarter.

(l) The casino licensee must maintain a photo of every gaming employee employed by the licensee. The licensee shall maintain the photo for a period of no less than 5 years after the date in which the gaming employee is no longer employed by the licensee as a gaming employee. The photo must be large enough and of sufficient clarity to be able to clearly identify the gaming employee from the photo. The photo may be in the form of a photograph or it may be digitally stored, but it must be capable of being reproduced and provided at the request of the Commission.

(m) Any violation of 175-10.1-1925(a) or (b) constitutes an unsuitable method of operation and shall be grounds for disciplinary action by the Commission in accordance with the Act and the Regulations.

§ 175-10.1-1930 System of records: contents; confidentiality:

(a) The Commission shall create and maintain a system of records that:
1. Contains information regarding each person who is licensed as a casino employee or casino key employee; and

2. Identifies each person whose licensure as a casino employee or casino key employee has expired, was objected to by the Executive Director, or was otherwise suspended or revoked.

(b) The system of records may be accessed by the Commission at any time and in any manner and may only be accessed by the Casino Gaming Licensee by on-line Internet connection or in person during the Commission's normal office hours and only by those persons or entities authorized by the Commission.

§ 175-10.1-1935 Petition for hearing to reconsider objection to registration or to reconsider suspension or revocation of registration:

(a) Any person whose application for licensure as a casino employee or casino key employee has been objected to by the Executive Director, or whose licensure as a casino employee or casino key employee has been suspended or revoked pursuant to these Regulations, may request a hearing for reconsideration of the final administrative or judicial action which resulted in such objection, suspension or revocation.

(b) The aggrieved person may obtain the reconsideration hearing by filing a petition with the Commission which sets forth the basis of the request for reconsideration. The aggrieved person shall, upon filing such petition, include the child support statement promulgated in § 175-10.1-925 and, if requested by the Commission, two new complete sets of fingerprints together with the fee charged therefore.

(c) Upon receipt of a petition, the Commission shall conduct an investigation of the person who filed such petition and schedule a hearing. At the hearing, the Commission or its appointee shall take any testimony deemed necessary. The Commission may appoint a hearing examiner and authorize that person to conduct the hearing, including, but not limited to, any of the functions required of the Commission in the case of hearing conducted pursuant to these Regulations or the APA.

(d) After conducting a hearing pursuant to subsection (c), the Commission or its appointee shall render a decision sustaining, modifying or withdrawing the objection which shall be mailed to the person within forty five (45) days after the date of the hearing; or

(e) The Commission, in reviewing a decision or recommendation of the Executive Director, may sustain, modify or reverse the decision or recommendation of the Executive Director or any appointed hearing officer or remand the petition to the Executive Director or hearing officer for such further investigation or reconsideration as the commission may order.

(f) An aggrieved person who files a petition pursuant to this regulation may submit a written request for withdrawal of such petition to the Commission at any time before the Commission has acted upon a decision or recommendation of the Executive Director or appointee.

§ 175-10.1-1940 Criminal conviction grounds for revocation or suspension. The

Commission may revoke or suspend the casino employee license or casino key employee license or finding of suitability of a person who is convicted of a crime, even though the convicted person's post conviction rights and remedies have not been exhausted, if the crime or conviction discredits or tends to discredit the Commonwealth or the gaming industry.

§ 175-10.1945 Violation of law or regulations. Violation of any provision of the Act or of these Regulations by a casino employee or casino key employee shall be deemed contrary to the public health, safety, morals, good order and general welfare of the inhabitants of the Commonwealth and grounds for suspension or revocation of a license. Acceptance of a Commonwealth gaming license or renewal thereof by a licensee constitutes an agreement on the part of the licensee to be bound by all of the regulations of the Commission as the same now are or may hereafter be amended or promulgated. It is the responsibility of the licensee to keep himself informed of the content of all such regulations, and ignorance thereof will not excuse violations.

Part 2000 CHIPS AND TOKENS

§175-10.1-2001	Approval of Chips and Tokens; applications and procedures
§175-10.1-2005	Specifications for Chips and tokens
§175-10.1-2010	Specifications for Chips
§175-10.1-2015	Specifications for Tokens
§175-10.1-2020	Use of Chips and Tokens
§175-10.1-2025	Redemption and disposal of discontinued chips and tokens
§175-10.1-2030	Destruction of counterfeit chips and tokens
§175-10.1-2035	Promotional and tournament chips and tokens
§175-10.1-2040	Other instrumentalities
§175-10.1-2045	Chips and Tokens required

§ 175-10.1-2001 Approval of chips and tokens; applications and procedures:

(a) A licensee shall not issue any chips or tokens for use in its gaming establishment, or redeem any such chips or tokens, unless the chips or tokens have been approved in writing by the Commission. A licensee shall not issue any chips or tokens for use in its gaming establishment, or redeem any such chips or tokens, that are modifications of chips or tokens previously approved by the Commission, unless the modifications have been approved in writing.

(b) Applications for approval of chips, tokens, and modifications to previously-approved chips or tokens must be made, processed, and determined in such manner and using such forms as the Commission may prescribe. Only casino licensees or the manufacturer authorized by these licensees to produce the chips or tokens, may apply for such approval. Each application must include, in addition to such other items or information as the Commission may require:

(1) An exact drawing, in color or in black-and-white, of each side and the edge of the proposed chip or token, drawn to actual size or drawn to larger than actual size

and in scale, and showing the measurements of the proposed chip or token in each dimension;

(2) Written specifications for the proposed chips or tokens;

(3) The name and address of the manufacturer;

(4) The licensee's intended use for the proposed chips or tokens; and

(5) A verification upon oath or notarized affirmation, executed by the chief operating officer of the chip or token manufacturer, or a person with equivalent responsibilities, that it has a written system of internal control, approved by the Commission, which describes in detail the current administrative, accounting and security procedures which are utilized in the manufacture, storage and shipment of the chips, tokens and related material. The written system must include at a minimum, a detailed, narrative description of the procedures and controls implemented to ensure the integrity and security of the manufacturing process, from design through shipment, including but not limited to those procedures and controls designed specifically to:

i. Provide for the secure storage or destruction of all pre-production prototypes, samples, production rejects and other nonsellable product.

ii. Provide security over the finished art work, hubs, plates, dies, molds, stamps and other related items which are used in the manufacturing process.

iii. Prevent the unauthorized removal of product from the production facility through the utilization of security devices such as metal detectors, and surveillance cameras.

iv. Restrict access to raw materials, work-in-process, and finished goods inventories to authorized personnel.

v. Establish procedures for documenting approval of production runs.

vi. Establish and maintain a perpetual inventory system which adequately documents the flow of materials through the manufacturing process.

vii. Establish procedures which reconcile the raw material used to the finished product on a job-by-job basis. Significant variances are to be documented, investigated by management personnel, and immediately reported to the Commission and to the licensee who authorized the manufacturer to produce the chips or tokens.

viii. Provide for quarterly physical inventory counts to be performed by individual(s) independent of the manufacturing process which are reconciled to the perpetual inventory records. Significant variances are to be documented, investigated by management personnel, and immediately reported to the Division of Audit & Compliance.

ix. Establish a framework of procedures which provide for the security and accountability of products and materials sent to or received from subcontractors or satellite production facilities.

x. Document controls over the shipment of finished product, and

xi. Provide such other or additional information as the Commission may require.

(c) The Commission may approve variations from the specific requirements of this regulation if in the opinion of the Commission the alternative controls and procedures meet the objectives of this regulation.

(d) If, after receiving and reviewing the items and information described by this

regulation, the Commission is satisfied that the proposed chips, tokens and related information conform to the requirements of this regulation, the Commission shall notify the licensee or the manufacturer authorized by the licensee to produce the chips or tokens in writing and shall request, and the licensee or the manufacturer shall provide a sample of the proposed chips or tokens in final, manufactured form. If the Commission is satisfied that the sample conforms with the requirements of this regulation and with the information submitted with the licensee's application, the Commission shall approve the proposed chips or tokens and notify the licensee in writing. As a condition of approval of chips or tokens issued for use at the licensee's race book, sports pool, or specific table or counter game, the Commission may prohibit the licensee from using the chips or tokens other than at the book, pool, or specific game. The Commission may retain the sample chips and tokens submitted pursuant to this Regulation.

(e) At the time of approval of a system of internal control, the Commission may require the manufacturer to provide, and thereafter maintain with The Casino Gaming Licensee, a revolving fund in an amount determined by the Commission, which amount shall not exceed \$10,000. The Commission and its staff may use the revolving fund at any time without notice, for the purpose of implementing the provisions of this regulation.

§ 175-10.1-2005 Specifications for chips and tokens:

(a) Chips and tokens must be designed, manufactured, and constructed in compliance with all applicable statutes, regulations, and policies of the United States, the Commonwealth, and other states, and so as to prevent counterfeiting of the chips and tokens to the extent reasonably possible. Chips and tokens must not deceptively resemble any current or past coinage of the United States or any other nation.

(b) In addition to such other specifications as the Committee may approve:

1. The name of the issuing gaming establishment must be inscribed on each side of each chip and token, and "Saipan, CNMI" must be inscribed on at least one side of each chip and token;
2. The value of the chip or token must be inscribed on each side of each chip and token, other than chips used exclusively at roulette;
3. The manufacturer's name or a distinctive logo or other mark identifying the manufacturer must be inscribed on at least one side of each chip and token; and
4. Each chip must be designed so that when stacked with chips and tokens of other denominations and viewed on closed-circuit, black-and-white television, the denomination of the chip can be distinguished from that of the other chips and tokens in the stack.

(c) The Commission may approve any other thickness, dimension, size, shape, denomination and material for chips and tokens as it deems necessary and prudent.

§ 175-10.1-2010 Specifications for chips:

(a) Unless the Commission approves otherwise, chips must be disk-shaped,

must be .130 inch thick, and must have a diameter of:

1. 1.55 inches, for chips used at games other than baccarat;
2. 1.55 inches or 1.6875 inches, for chips used at baccarat; and
3. 1.6875 inches, for chips used exclusively at race books and sports pools or other counter games.

(b) Each side of each chip issued for use exclusively at a race book, sports pool, or particular game must bear an inscription clearly indicating that use of the chip is so restricted.

(c) The Commission may approve any other thickness, dimension, size, shape, denomination and material for chips as it deems necessary and prudent.

§ 175-10.1-2015 Specifications for tokens:

(a) Unless the Commission approves otherwise, tokens must be disk-shaped and must measure as follows:

1. No token may be smaller than 1.459 inches or larger than 1.95 inches in diameter, and no token may be from 1.475 through 1.525 inches in diameter;
2. One dollar denomination tokens must be from 1.459 through 1.474 inches in diameter, from .095 through .115 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 150;
3. Five dollar denomination tokens must be 1.75 inches in diameter, from .115 through .135 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 175;
4. Twenty-five dollar denomination tokens must be larger than 1.75 inches but no larger than 1.95 inches in diameter (except that such tokens may be 1.654 inches (42 millimeters) in diameter if made of 99.9 percent pure silver), must be .10 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 200; and
5. Tokens of other denominations must have such measurements and edge reeds or serrations as the chairman may approve or require.

(b) The Commission shall not approve any tokens of denominations lower than one dollar.

(c) Tokens must not be manufactured from material possessing sufficient magnetic properties so as to be accepted by a coin mechanism, other than that of a slot machine.

(d) Tokens must not be manufactured from a three-layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core, nor from a copper-based material, unless the total of zinc, nickel, aluminum, magnesium, and other alloying materials is at least 20 percent of the token's weight.

(f) The Commission may approve any other thickness, dimension, size, shape,

denomination and material for tokens as it deems necessary and prudent.

§ 175-10.1-2020 Use of chips and tokens:

(a) Chips and tokens are solely representatives of value which evidence a debt owed to their custodian by the Casino Gaming Licensee and are not the property of anyone other than the licensee.

(b) The Casino Gaming Licensee uses chips or tokens at its gaming establishment shall:

1. Comply with all applicable statutes, regulations, and policies of the Commonwealth and of the United States pertaining to chips or tokens;
2. Issue chips and tokens only to patrons of its gaming establishment and only at their request;
3. Promptly redeem its own chips and tokens from its patrons by cash or check drawn on an account of the licensee;
4. Post conspicuous signs at its establishment notifying patrons that federal law prohibits the use of the licensee's tokens, that Commonwealth law prohibits the use of the licensee's chips, outside the establishment for any monetary purpose whatever, and that the chips and tokens issued by the licensee are the property of the licensee, only; and
5. Take reasonable steps, including examining chips and tokens and segregating those issued by other licensees to prevent the issuance to its patrons of chips and tokens issued by any other casino.

(c) The Casino Gaming Licensee shall not accept chips or tokens as payment for any goods or services offered at the licensee's gaming establishment with the exception of the specific use for which the chips or tokens were issued, and shall not give chips or tokens as change in any other transaction. Notwithstanding the foregoing, Value chips of \$500 dollars or less may be accepted as payment for food or beverage in the gaming areas of the operations of the casino operator licensee's operations in the Commonwealth.

(d) The Casino Gaming Licensee shall not redeem its chips or tokens if presented by a person who the licensee knows or reasonably should know is not a patron of its gaming establishment, except that a licensee shall promptly redeem its chips and tokens if presented by an employee or key employee of the licensee who presents the chips and tokens in the normal course of employment.

(e) The Casino Gaming Licensee shall redeem its chips and tokens if presented by an agent of the Commission in the performance of his official duties or on behalf of another governmental agency.

(f) The Casino Gaming Licensee shall not knowingly issue, use, permit the use of, or redeem chips or tokens issued by any other licensee.

(g) Chips whose use is restricted to uses other than at table games or other than at specified table games may be redeemed by the issuing licensee at table games or non-specified table games if the chips are presented by a patron, and the licensee redeems the chips with chips issued for use at the game, places the redeemed chips in the table's drop box, and separates and properly accounts for the redeemed chips during the count performed pursuant to the licensee's system of internal control required by Part 500.

§ 175-10.1-2025 Redemption and disposal of discontinued chips and tokens:

(a) If the Casino Gaming Licensee permanently removes from use or replaces approved chips or tokens at its gaming establishment, or ceases operating its gaming establishment whether because of closure or sale of the establishment or any other reason, must prepare a plan for redeeming discontinued chips and tokens that remain outstanding at the time of discontinuance. The licensee must submit the plan in writing to the Commission not later than sixty (60) days before the proposed removal, replacement, sale, or closure, unless the closure or other cause for discontinuance of the chips or tokens cannot reasonably be anticipated, in which event the licensee must submit the plan as soon as reasonably practicable. The Commission may approve the plan or require reasonable modifications as a condition of approval. Upon approval of the plan, the licensee shall implement the plan as approved.

(b) In addition to such other reasonable provisions as the Commission may approve or require, the plan must provide for:

1. Redemption of outstanding, discontinued chips and tokens in accordance with this regulation for at least one hundred twenty (120) days after the removal or replacement of the chips or tokens or for at least one hundred twenty (120) days after operations cease, as the case may be, or for such longer or shorter period as the Commission may for good cause approve or require;
2. Redemption of the chips and tokens at the premises of the gaming establishment or at such other location as the Commission may approve;
3. Publication of notice of the discontinuance of the chips and tokens and of the redemption and the pertinent times and locations in at least two newspapers of general circulation in the Commonwealth at least twice during each week of the redemption period, subject to the Commission's approval of the form of the notice, the newspapers selected for publication, and the specific days of publication;

(c) Conspicuous posting of the notice described in paragraph (b) at the gaming establishment or other redemption location; and

(d) Destruction or such other disposition of the discontinued chips and tokens as the Commission may approve or require.

§ 175-10.1-2030 Destruction of counterfeit chips and tokens:

(a) As used in this section, "counterfeit chips or tokens" means any chip- or token-like objects that have not been approved pursuant to these Regulations, including objects commonly referred to as "slugs," but not including coins of the United States or any

other nation. "Law enforcement officer" includes any sworn officer of the Commonwealth or the United States of America. "Attorney General" means the Attorney General for the Commonwealth.

(b) Unless a law enforcement officer or the Attorney General instructs or a court of competent jurisdiction orders otherwise in a particular case, the Casino Gaming Licensee shall destroy or otherwise dispose of counterfeit chips and tokens discovered at its establishments in such manner as the Commission may approve or require.

(c) Unless a law enforcement officer instructs or a court of competent jurisdiction orders otherwise in a particular case, the Casino Gaming Licensee may dispose of coins of the United States or any other nation discovered to have been unlawfully used at their establishments by including them in their coin inventories or, in the case of foreign coins, by exchanging them for United States currency or coins and including same in their currency or coin inventories, or by disposing of them in any other lawful manner.

(d) The Casino Gaming Licensee shall record, in addition to such other information as the Commission may require:

1. The number and denominations, actual and purported, of the coins and counterfeit chips and tokens destroyed or otherwise disposed of pursuant to this section;
2. The month during which they were discovered;
3. The date, place, and method of destruction or other disposition, including, in the case of foreign coin exchanges, the exchange rate and the identity of the bank, exchange company, or other business or person at which or with whom the coins are exchanged; and
4. The names of the persons carrying out the destruction or other disposition on behalf of the licensee.

(e) The Casino Gaming Licensee shall maintain each record required by this subsection for at least five (5) years, unless the Commission approves or requires otherwise.

§ 175-10.1-2035 Promotional and tournament chips and tokens:

(a) Promotional chips must be designed, manufactured, approved, and used in accordance with the provisions of the regulations applicable to chips and tokens, except as follows:

1. Promotional chips must be of such shape and size and have such other specifications as the Commission may approve or require;
2. Each side of each promotional chip must conspicuously bear the inscription "No Cash Value";
3. Promotional chips must not be used, and licensees shall not permit their use, in transactions other than the promotions or tournaments for which they are issued; and

4. The provisions of section § 175-10.1-2025 shall not apply to promotional chips.

§ 175-10.1-2040 Other instrumentalities. Other instrumentalities with which gaming is conducted must be designed, manufactured, approved, used, discontinued, destroyed, or otherwise disposed of in accordance with the provisions of Regulations applicable to chips and tokens, except that such other instrumentalities must be of such shape, size, and design and have such other specifications as the Commission may approve or require; and the Commission, in its sole and absolute discretion, may deny approval of instrumentalities other than chips and tokens or may grant approval subject to such conditions as it considers appropriate.

§ 175-10.1-2045 Chips and Tokens Required. All wagering must be conducted with chips, tokens, wagering instruments or other instrumentalities approved by the Commission, or with wagering credits or the legal tender of the United States.

Part 2100 CARD GAMES:

§175-10.1-2101	Card game drop box procedures
§175-10.1-2105	Sale of stakes
§175-10.1-2110	Accounting for transactions between card table bank and card room bank
§175-10.1-2115	Limitations on the use of card room banks and card table banks
§175-10.1-2120	Rake off and time buy-in
§175-10.1-2125	Shills Prohibited
§175-10.1-2130	Proposition Players Prohibited
§175-10.1-2135	Restrictions on other players
§175-10.1-2140	Posting of rules

§ 175-10.1-2101 Card game drop box procedures:

(a) Each card table shall have one card game drop box with the drop slot located at least four inches in front of the table tray and to the right thereof, unless the table is equipped with a drop slot located at least two inches to the right of and even with the top right-hand corner of the table tray, with a cover over the drop slot, which when activated will cause the rake to drop directly into the drop box. The card game drop box shall be a locked container marked with a permanent number corresponding to a permanent number on the card table and permanently marked to indicate game and shift, all of which markings shall be clearly visible at a distance of twenty (20) feet. The locked container shall be locked to the card table and shall be separately keyed from the container itself.

(b) All card game drop boxes shall be removed from their respective card tables at the end of each shift at the times previously designated in writing to the Commission. The removal of card game drop boxes shall be without any interruptions so that an observer may be able to observe the markings on the boxes. The boxes must be

transported directly to the room designated for counting where they shall be stored in a secure place or immediately counted.

§ 175-10.1-2105 Sale of stakes. No cash or chips received for the sale of stakes shall be commingled with any rake-offs or other compensation received by the licensee from the players for the right to play.

§ 175-10.1-2110 Accounting for transactions between card table bank and card room bank.

(a) When the card table bank is to be replenished with chips from the card room bank, all cash or chips to be transferred must be counted down by the dealer in public view on the card table and verified by the person who transports the cash or chips.

(b) The transfer shall be preceded by the placement of appropriately designated marker buttons (lammer) on the card table of a value equivalent to the cash or chips to be transferred to the card room bank. Such marker buttons may only be removed by the dealer after the transaction has been completed. A transfer document noting the terms of the transfer is also allowable.

(c) Upon written Commission approval, those licensees wishing to utilize the casino cage in lieu of a card room bank may do so provided that the same procedures as set forth in § 175-10.1-2110, § 175-10.1-2115, and related provisions thereto, shall be followed by the casino cage for such transactions.

§ 175-10.1-2115 Limitations on the use of card room banks and card table banks.

(a) Card room banks shall be used exclusively for the purposes of the maintenance of card table banks used in card games, and the issuance of chips to and redemption of chips from players.

(b) Card table banks shall be used only for the purposes of making change or handling player buy-ins.

§ 175-10.1-2120 Rake-off and time buy-in:

(a) Rake-offs shall not exceed twenty percent (20%) of all sums wagers in the hand. Rake-offs shall only be pulled from the pot by the dealer in an obvious manner after each wager and call or at the completion of the hand. The rake-off shall be placed in a designated rake circle and shall remain in the designated rake circle until a winner is declared and paid. The rake-off shall then be dropped into the card game drop box.

(b) The designated rake circle must be clearly visible to all players and shall be positioned in a location on the table where it is at least four inches from and in front of the table tray and at least eight inches from the table drop slot, unless the table is equipped with a drop slot located at least two inches to the right of and even with the

top right-hand corner of the table tray, with a cover over the drop slot, which when activated will cause the rake to drop directly into the drop box; such drop slot shall serve as the rake circle.

(c) All time buy-ins or other fees charged shall be immediately placed into the card game drop box.

§ 175-10.1-2125 Shills The use of shills by a casino licensee is prohibited.

§ 175-10.1-2130 Proposition Players Prohibited The use of proposition players by a casino licensee is prohibited.

§ 175-10.1-2135 Restrictions on other players:

(a) Stakes players shall not be utilized by any licensee.

(b) No dealer may wager in any game in which he is dealing.

§ 175-10.1-2140 Posting of rules.

(a) The rules of each game shall be posted and be clearly legible from each table and must designate:

1. The maximum rake-off percentage, time buy-in, or other fee charged.
2. The number of raises allowed.
3. The monetary limit of each raise.
4. The amount of ante.
5. Other rules as may be necessary.

Part 2200

EXCLUDED AND EXCLUDABLE PERSONS

§175-10.1-2201	Casino Licensee's right to exclude patrons
§175-10.1-2205	List of exclusion and ejection
§175-10.1-2210	Definitions
§175-10.1-2215	Entry of Names
§175-10.1-2220	Distribution and contents of the list
§175-10.1-2225	Notice of Candidacy
§175-10.1-2230	Hearing
§175-10.1-2235	Petition to remove from the list
§175-10.1-2240	Duty of licensee to exclude
§175-10.1-2245	Programs to address problem gambling
§175-10.1-2250	Under 21 years of age
§175-10.1-2255	Special Exclusion Area

§ 175-10.1-2201 Casino Licensee's right to exclude patrons

(a) The casino licensee or operator may refuse service to and refuse entry to or reject from the premises any patron or potential patron as such licensee or operator sees fit.

(b) The casino licensee or operator may establish and enforce a dress code for its patrons and a code of conduct for its patrons, and any person who fails to comply with such codes on the premises may, at the discretion of the casino licensee or operator, be deemed an undesirable person and ejected or excluded from the premises.

(c) The rights to refuse service and of exclusion and ejection granted in subsections (a) and (b) above do not include the rights to base such refusal, exclusion and/or ejection on the basis of the patron's race, ethnicity, color, creed, religion, national origin, ancestry or sex. The licensee shall not violate any applicable federal or Commonwealth law that prohibits discrimination by private persons against individuals generally or against any protected class of individuals.

§ 175-10.1-2205 List of exclusion and ejection:

(a) The Commission hereby declares that the exclusion or ejection of certain persons from licensed gaming establishments which conduct pari-mutuel wagering or operate any race book, sports pool or games, is necessary to effectuate the policies of the Act and to maintain effectively the strict regulation of licensed gaming. Accordingly, the Commission hereby establishes a list of persons who are to be excluded or ejected from licensed gaming establishments that conduct gaming, wagering, pari-mutuel wagering or operate any horse race book, sports pool or games because their presence therein is determined by the Commission to pose a threat to the interests of the Commonwealth or to licensed gaming, or both.

(b) The Commission may include a person on the list if the Commission finds to its satisfaction that the person:

(1) Has a prior conviction of a crime which is a felony in this Commonwealth or under the laws of the United States, or a crime involving moral turpitude or a violation of the gaming laws of any state;

(2) Has violated or conspired to violate the provisions of the Act or these Regulations relating to:

(i) The failure to disclose an interest in a gaming establishment for which the person must obtain a license; or

(ii) Willful evasion of fees or taxes;

(3) Has a notorious or unsavory reputation which would adversely affect public confidence and trust that the gaming industry is free from criminal or corruptive elements; or

(4) is the subject of a written order of a tribunal or governmental agency which authorizes the exclusion or ejection of the person from an establishment at which gaming or pari-mutuel wagering is conducted.

(c) A finding that any one criteria listed in (b) above is sufficient for inclusion.

(d) Evidence of notorious or unsavory reputation, as that term is used in (b)(3) above, may be established by, among other things, identification of a person's criminal activities in published reports of various federal and state legislative and executive bodies that have inquired into various aspects of criminal activities including but not

limited to the following:

1. California Crime Commission;
2. Chicago Crime Commission;
3. McClellan Committee (Senate Subcommittee on Investigation);
4. New York Waterfront Commission;
5. Pennsylvania Crime Commission Report;
6. Senate Permanent Subcommittee on Investigations;
7. State of Colorado Organized Crime Strike Force;
8. President's Commission on Organized Crime;
9. Nevada Gaming Control Commission and Board

(e) Further, evidence of notorious or unsavory reputation as that term is used in (b)(3) above, may be established by, among other things, identification of a person's criminal activities with respect to wagering on or attempting to influence the result of a collegiate sport or athletic event in a published report by:

1. Any federal, state or local legislative, executive or judicial body or officer;

or

2. Any association of colleges and universities devoted to the regulation and promotion of intercollegiate athletics, including, but not limited to the National Collegiate Athletic Association.

§ 175-10.1-2210 Definitions. As used in this Part, the following terms shall have the following meanings:

1. "Candidate" means any person who the Commission believes should be placed on the list.

2. "Excluded person" means any person who has been placed upon the list by the Commission and who has failed to timely request a hearing as provided in these Regulations, or who remains on the list after a final determination by the Commission. The term shall be synonymous with "ejected person" or "listed person."

3. "List" means a list of names of persons who are required to be excluded or ejected from licensed gaming establishments that conduct pari-mutuel wagering or operate any horse race book, sports pool or games. The term shall be synonymous with "exclusion list."

§ 175-10.1-2215 Entry of names. The Commission may place on the list the name of any person who, by reason of any of the criteria set forth in 175-10.1-2205(b) is to be excluded or ejected from licensed gaming establishments that conduct pari-mutuel wagering or operate any horse race book, sports pool or games, whenever such exclusion or ejection is in the best interests of the Commonwealth or of licensed gaming, after the same has been determined as hereinafter provided:

1. Before a name is placed on the list, the Commission shall first informally review the information and evidence in its possession and make a determination that there is sufficient reason to believe that any one of the criteria specified in 175-10.1-2205(b) is applicable to the candidate. At least two Members shall concur in such decision at an investigative hearing, but no formal meeting of the Commission shall be required to reach a decision.

2. Except as hereinafter provided, the operative effect of such list shall not occur as to any given individual until such time as that person whose name has been placed upon the list has had notice and an opportunity for a hearing as provided for by this regulation, and until such time as the Commission's decision becomes final.

3. The commission may grant a stay upon appropriate terms.

§175-10.1-2220 Distribution and contents of the list:

- (a) The list shall be open to public inspection and shall be distributed to:
1. Every licensed gaming establishment within the Commonwealth that conducts pari-mutuel wagering or operates any game;
 2. Law enforcement agencies situated in the Commonwealth.
- (b) The following information and data shall be provided for each excluded person:
1. The full name and all aliases the person is believed to have used;
 2. Description of the person's physical appearance, including height, weight, type of build, color of hair and eyes, and any other physical characteristics which may assist in the identification of the person;
 3. Date of birth;
 4. The effective date the person's name was placed on the list;
 5. A photograph and the date thereof.

§175-10.1-2225 Notice of candidacy:

- (a) After the Commission has determined an individual should be placed upon the list, notice of such determination shall be given to said person by:
1. Personal service;
 2. Certified mail to the address of such person last known to the Commission;
 3. Posting on the Commission's website, in the Commission's Office, on the first floor of the Governor's executive building in Capitol Hill, Saipan and the first floor of the Judicial complex in Susupe, Saipan; or
 4. Publication once a day for seven (7) consecutive days in a newspaper of general circulation, published in Saipan, CNMI.
- (b) All reasonable efforts shall be made to give such candidate actual notice of the proceedings, but the methods of notice are cumulative, and each may be utilized with, after, or independently of the above-stated or other methods of notice.
- (c) A notice shall be directed to the candidate by his full name and by any aliases known to the Commission and shall state in essence as follows:

TO: (Name of candidate)

You are hereby notified that the Commonwealth Casino Commission deems you to be a person to be excluded from licensed gaming establishments within the area subject to its jurisdiction that conduct pari-mutuel wagering or operate any horse race book, sports pool or games, other than slot machines only, for the reasons specified in 175-10.1-2205(b) [designate subsection or subsections as grounds]. You are further

advised that you may request, within thirty (30) days from the date of service, a hearing before the Commonwealth Casino Commission pursuant to the regulations of the commission so as to show cause why your name shall be excluded from said list.

DATED this ___ day of _____, 20-----.

(Executive Director)

(d) In the event notice by publication is made, the notice shall specify that the request for hearing may be made any time within sixty (60) days after the last day of publication.

(e) After a candidate has requested a hearing before the Commission, the candidate shall be entitled to receive, upon request, a bill of particulars from the Executive Director specifying the grounds upon which a determination of exclusion was made. Such bill of particulars shall be furnished the candidate at least twenty (20) days prior to the hearing before the Commission.

(f) In the event a candidate does not request a hearing, the Executive Director will file with the Commission the bill of particulars heretofore specified, and the Commission may make its decision thereon and any other information it may request from the Executive Director.

§175-10.1-2230 Hearing:

(a) The procedures, rights, and remedies specified in these Regulations for the conduct of proceedings before the Commission in the applicable sections of these Regulations shall apply to any hearings provided to the candidate. As used throughout the above-mentioned sections of these Regulations dealing with Hearings, the following terms shall have the following meanings:

1. "Respondent" shall mean "candidate";
2. "Complaint" shall mean "notice of exclusion," or "bill of particulars";
3. "Notice of defense" shall mean "request for hearing."

(b) Written notice of the Commission's decisions shall be given to the candidate and to all licensed gaming establishments within the Commonwealth that conduct pari-mutuel wagering or operate any game.

(c) When the Commission determines a person should not be placed upon the list, or should be removed pursuant to the provisions of section 175-10.1-2235, notice of the decision shall be made in the same manner as notice under 175-10.1-2225, and additionally in the case of removal proceedings under section 175-10.1-2235, notice shall be given to all licensed gaming establishments within the state that conduct pari-mutuel wagering or operate any horse race book, sports pool or games.

§175-10.1-2235 Petition to remove from the list:

(a) Any person who, after a final determination by the Commission, has been placed upon the list may petition the Commission in writing and request that his name be

removed from such list. The petition shall be verified and state with specificity the grounds believed by the petitioner to constitute good cause for removal of his name.

(b) The Commission shall have ninety (90) days in which to entertain such petition, after which time the Commission shall either set the petition for hearing or deny the petition. In the event the Commission elects to entertain the petition, a date for hearing shall be specified, and thereafter the procedures specified in section 175-10.1-2230 above shall apply.

(c) The record of evidence and testimony, if any, used by the Commission in making its original determination of exclusion may be considered by the Commission; provided, however, said record shall not be reopened except upon the express consent of the Commission. Unless otherwise allowed by the Commission, only evidence relevant as to the ground specified in the petition shall be heard; provided, however, the Commission may request additional investigation in this regard. The burden of showing good cause for removal shall at all times rest with the petitioner.

§175-10.1-2240 Duty of licensee to exclude

(a) The area within a licensed gaming establishment from which an excluded person is to be excluded is every portion of said gaming establishment including but not limited to the casino, bar, lounge, and all other related facilities of said gaming establishment.

(b) Whenever an excluded person enters or attempts to enter or is upon the premises of a licensed gaming establishment and is recognized by the licensee, its agents or employees, then the licensee and its agents or employees must do the following:

1. Immediately notify the Commission of the presence of the excluded person in any area of the gaming establishment;
2. Request such excluded person to not enter or if on the premises to immediately leave;
3. Notify the appropriate local law enforcement agency and the Commission if such excluded person fails to comply with the request of the licensee, its agents or employees.

(c) Failure to request such excluded person to leave or to prohibit entry of such person upon its premises in a timely fashion or failure to properly notify the Commission of the presence of such excluded person is an unsuitable method of operation.

(d) Catering to any excluded person, including the granting of complimentary room, food or beverage or the issuance of credit to any such person, by any licensed gaming establishment is an unsuitable method of operation.

§175-10.1-2245 Programs to address problem gambling:

(a) The Casino Gaming Licensee shall post or provide in conspicuous places in or near gaming and cage areas and cash dispensing machines located in gaming areas written materials concerning the nature and symptoms of problem gambling and the toll-free telephone number of the National Council on Problem Gambling or a similar entity approved by the Executive Director that provides information and referral services for problem gamblers.

(b) The Casino Gaming Licensee shall implement procedures and training for all employees who directly interact with gaming patrons in gaming areas. That training shall, at a minimum, consist of information concerning the nature and symptoms of problem gambling behavior and assisting patrons in obtaining information about problem gambling programs. This subsection shall not be construed to require employees of licensees to identify problem gamblers. Each licensee shall designate personnel responsible for maintaining the program and addressing the types and frequency of such training and procedures.

(c) The Casino Gaming Licensee shall implement a program containing the elements described below, as appropriate, that allows patrons to self-limit their access to the gaming area, issuance of credit, check cashing, or direct mail marketing by that licensee. As appropriate, such program shall contain, at a minimum, the following:

1. The development of written materials for dissemination to patrons explaining the program;
2. The development of written forms allowing patrons to participate in the program;
3. Standards and procedures that allow a patron to be prohibited from access to the gaming area, check cashing, the issuance of credit, and the participation in direct mail marketing of gaming opportunities;
4. Standards and procedures that allow a patron to be removed from the licensee's direct mailing and other direct marketing regarding gaming opportunities at that licensee's location; and
5. Procedures and forms requiring the patron to notify a designated office of the licensee within 10 days of the patron's receipt of any financial gaming privilege, material or promotion covered by the program.

(d) The Executive Director may request that the Casino Gaming Licensee submit any of the elements of the licensee's problem gambling programs described above to the Executive Director for review. If the Executive Director makes an administrative determination that the licensee's program does not adequately address the standards as set forth above, then the Executive Director may issue such a determination identifying the deficiencies and specifying a time certain within which such deficiencies must be cured. Any licensee affected by such an administrative determination may appeal the determination to the Commission.

(e) Failure by the Casino Gaming Licensee to establish the programs set forth in above, or to cure a deficiency identified pursuant to subsection (d), constitutes an unsuitable method of operation and is grounds for disciplinary action.

§175-10.1-2250 Under 21 years of age The Casino Licensee shall exclude from the gaming areas of a casino individuals under 21 years of age, except such lawful employees of the casino or of a resort complex or other facility of which the casino forms a part as the Commission determines by regulation may be present in such areas.

§175-10.1-2255 Special Exclusion Area The Casino Licensee may designate any portion of a casino or Live Training Facility as a place where a fee may be charged to any patron for entry under such terms and conditions as the Commission shall approve.

PART 2300 MISCELLANEOUS:

§ 175-10.1-2301	Definitions
§ 175-10.1-2305	Persons Ineligible for Employment
§ 175-10.1-2310	Commission ineligible for employment
§ 175-10.1-2315	Gambling by Commission Prohibited
§ 175-10.1-2320	Gambling by Licensees Prohibited

§ 175-10.1-2301 Definitions. In this Part, "immediate family" means an unemancipated child residing in the Member's household, a spouse of the Member, or an individual claimed by that Member or that Member's spouse as a dependent for tax purposes.

§ 175-10.1-2305 Persons Ineligible for Employment :

(a) Members of the 18th CNMI legislature and their immediate family shall not be paid or receive any financial consideration nor shall they be retained as independent contractors or employed directly or indirectly by any casino licensed under this chapter in its current form or as amended, or by said casino's affiliates or agents, for a period of five years beginning from the date of the issuance of said casino's license.

(b) The casino licensed under the Act must certify to the Commission yearly in a document signed by the Casino's chief executive officer and chief financial officer that no financial consideration or payment has been made to any prohibited person in violation of this regulation

§ 175-10.1-2310 Commission ineligible for employment. No member, employee, or agent of the Commission shall knowingly be an employee of or have any business or financial association with or interest in any casino or casino service provider licensee under this title or any business reasonably related to such license.

§ 175-10.1-2315 Gambling by Commission Prohibited:

(a) No member, officer, employee, or agent of the Commission shall play any game in or make any bet or wager:

- (1) in the casino under the jurisdiction of the Commission;
- (2) in any other gaming establishment reasonably associated with any such

casino; or

(3) in any gaming establishment, the owner, lessee, operator, or manager of which is an applicant for a license from the Commission, or is a potential applicant that has entered into discussions with the Commission prior to such application and has not clearly abandoned its interest in a license, or is reasonably associated with such an applicant or potential applicant; unless such playing of games or making of bets or wagers is done in the course of the officer's, employee's, or agent's employment with the Commission."

§ 175-10.1-2320 Gambling by Licensees Prohibited. No owner, lessee, operator, manager, officer, employee, agent, or other person associated with a casino licensed under this chapter shall play any game or make any bet or wager in such casino.

Part 2400 CLOSING OF BUSINESS; INSOLVENCY

- § 175-10.1-2401 Surrender of license on closing of business
- § 175-10.1-2405 Closing due to natural disasters
- § 175-10.1-2410 Insolvency of a licensee

§ 175-10.1-2401 Surrender of license on closing of business;

(a) If a gaming establishment is conveyed to a secured party who does not possess the licenses necessary to operate the establishment, and the licensee ceases gaming operations as a result, the licensee must immediately surrender his gaming license and, upon written notification from the Commission that the surrender is accepted, the license shall be deemed to have lapsed. The Commission may, upon its own initiative or upon a request by the former secured party of the establishment, petition a court for the appointment of a supervisor to ensure the continuation of the gaming operation upon lapse of the license.

(b) Except as provided in subsection (a), any licensee who surrenders, abandons or quits his licensed establishment, or who closes all of his licensed games for a period exceeding one (1) month, shall within ten (10) days after surrendering, quitting or abandoning his licensed establishment or so closing his games, surrender his license to the Commission. The Commission may, upon request, authorize closing for longer periods; however, such extension will not permit closing for an entire calendar quarter.

§ 175-10.1-2405 Closing due to natural disasters:

(a) Subsection (b) of § 175-10.1-2401 shall not apply if the Commission authorizes closure of any licensed gaming establishment that temporarily ceases the operation of all licensed games because of natural disaster, fire or other physical destruction of the licensed gaming establishment. In such circumstances, the licensee shall notify the Commission of the circumstances requiring closure of the licensed games pending rebuilding or repair of the premises; the anticipated duration of the closure; and the intent of the licensee to commence operation as soon as rebuilding or repairs have

been completed. Upon receipt of such notice, the Commission, if satisfied that the premises are in fact unusable for continuing gaming, may authorize closure for such time as is necessary provided that any and all fees continue to be paid when they become due.

(b) Any licensee granted temporary closure by the Commission under subsection (a) is a continuing gaming licensee subject to the provisions of the Act and Regulations adopted thereunder, and shall also be subject to such conditions, by way of placement of a bond, reporting, or otherwise, as may be deemed necessary by the Commission.

§ 175-10.1-2410 Insolvency of a licensee:

(a) In the event that a casino licensee files any petition with the bankruptcy court for relief as a debtor or has such a petition filed against it, or a receiver is appointed for such licensed business or an assignment of such business is made for the benefit of creditors, the licensee, trustee, receiver or assignee, as the case may be, shall immediately notify the Commission of such fact in writing. Such written notice shall have attached a copy of the petition filed with the court, and any relevant court orders such as orders appointing trustees, receivers, or assignees.

(b) No licensed establishment shall be operated by any trustee, receiver or assignee for the benefit of creditors until such operation has been authorized by the Commission. In an emergency situation, any three members of the Commission may authorize the continuation of such operation pending action by the Commission.

(c) Any such trustee, receiver, or assignee desiring to continue operation of the licensed establishment shall immediately make application for permission to do so. Application shall be made in the same manner as an application for an initial license; but the operation, if approved, shall be deemed to continue under the existing license of the establishment.

(d) Permission for such trustee, receiver, or assignee to continue the operation of the licensed establishment may be summarily withdrawn at any time in the discretion of the Commission without the necessity of any hearing or proceedings for revocation or suspension.

PART 2500

Penalties

§175-10.1-2501	Legislative Mandate
§175-10.1-2505	Suspension of Penalties
§175-10.1-2510	Definitions
§175-10.1-2515	Theories of Liability
§175-10.1-2520	Casino Operator Licensee Liability
§175-10.1-2525	Multiple Offenses from Single Action
§175-10.1-2530	Self-Reporting Determination
§175-10.1-2535	Determination of Offense Level
§175-10.1-2540	Mandatory Offense Levels

§175-10.1-2545

Penalties

§175-10.1-2501 Legislative Mandate (a) The Legislature has granted the Commission the responsibility to levy fines and penalties for the violation of provisions of the gaming act and the regulations promulgated and orders issued by the Commission. (b) The Legislature has required that these Regulations, at a minimum, provide civil penalties for the violation of provisions of the law or regulations imposed under this chapter as well as penalties for the late payment of applicable fines, or fees.

§175-10.1-2505 Suspension of Penalties. (a) The Commission may suspend, reduce, or rescind any penalty imposed at any time upon such terms as it deems just.

§175-10.1-2510 Definitions. As used in this Part, unless the context plainly requires a different definition: (a) "offense" means a violation of any: federal, state or Commonwealth law; federal, state or Commonwealth Regulation; any order issued by the Commission; any Internal Control Standard approved by the Commission; or any Minimum Internal Control Standard ordered by the Commission. (b) "Person" means a person or business entity who is or who must be licensed, regulated or registered by the Commission.

§175-10.1-2515 Theories of liability (a) Every person is punishable as a principal who, by action or omission, commits an offense. (b) Every person is punishable as a principal who aids, abets, counsels, commands, induces, or procures the commission of an offense. (c) Every person is punishable as a principal who causes an act to be done, which, if directly performed by that person, would be an offense. (d) No distinction is made between principals in the first and second degrees, and no distinction is made between a principal and what has heretofore been called an accessory before the fact. (e) Every person who, knowing that an offense has been committed, receives, relieves, comforts, or assists the offender in order to hinder or prevent the offender's discovery, trial, punishment, or administrative adjudication, is an accessory after the fact and punishable as a principal. (f) Every person who has knowledge that an offense has been committed who does not immediately inform the Commission of the occurrence of the offense and the facts surrounding the offense is punishable as a principal.

§175-10.1-2520 Casino Operator Licensee Liability. (a) The casino licensee is liable for the offenses of its casino key employees and casino employees as if the casino licensee had committed the offense. (b) Both the employee and the casino licensee may be fined separately for the acts and omissions of the employee. (c) The employee and the casino licensee may be fined in different amounts for the acts and omissions of the employee.

§175-10.1-2525 Multiple offenses from single action or omission. (a) A single action or omission which violates multiple laws, regulations, orders or the like may be charged as multiple offenses and multiple punishments may be levied for each offense. (b) By way of example, an action or omission which violates federal law, Commonwealth law, and a Commission Regulation is three distinct offenses.

§175-10.1-2530 Self-Reporting Determination. (a) The Commission, the Executive Director, or the Hearing Examiner, as the case may be, shall determine whether the licensee immediately, promptly or belatedly self-reported the offense (and the facts giving rise thereto) to the Commission, or whether the licensee failed to report the offense.

§175-10.1-2535 Determination of Offense Level. (a) For each offense not listed in §175-10.1-2140, the Commission, the Executive Director, or the Hearing Examiner, as the case may be, shall determine whether the offense should be penalized as a minor offense, an intermediate offense, or a major offense and impose the penalty permitted by §175-10.1-2145. (b) In making the determination required by (a) above, the Commission, the Executive Director, or the Hearing Examiner, as the case may be, shall consider the totality of the circumstances, including but not limited to: whether the offense was an act of commission or omission; the self-reporting determination required by §175-10.1-2130; whether the licensee promptly accepted responsibility for the offense; whether the licensee has committed any previous offenses in the Commonwealth; whether the licensee has committed any previous offenses in any other jurisdiction; the relative harm suffered by the Commonwealth; the relative harm suffered by the gaming industry generally; and any other aggravating or mitigating factor deemed relevant. (c) The Commission, the Executive Director, or the Hearing Examiner, as the case may be, may determine that an offense has occurred and may determine the offense level after a hearing or by a stipulation with the licensee.

§175-10.1-2540 Mandatory Offense Levels. (a) Unless the Commission, the Executive Director, or the Hearing Examiner, as the case may be, determines that substantial aggravating factors exist such that a higher offense level is appropriate, the following are minor offenses: negligently allowing a person under 21 to loiter on the gaming floor; failing to affix a required signature to a required report; failing to timely file a report (for fewer than 48 hours); (b) Unless the Commission, the Executive Director, or the Hearing Examiner, as the case may be, determines that substantial aggravating factors exist such that a higher offense level is appropriate, the following are intermediate offenses: intentionally allowing a person under 21 to loiter on the gaming floor; negligently allowing a person under 21 to place a wager; failing to timely file a report (for more than 48 but fewer than 96 hours); failing to make any tax, fee, or penalty payment when due (for fewer than 12 hours); (c) The following are major offenses: failing to make any tax, fee, or penalty payment when due (for more than 12 hours); paying a minor a winning wager; intentionally allowing methamphetamine possession or sales on the premises; violating FINSEN and money laundering-type laws and regulations.

§175-10.1-2545 Penalties. (a) Each Minor offense may be punished by: no punishment; a written warning; a fine not to exceed \$10,000 and/or (in the case of a licensee NOT the casino operator) suspension of the license for a period not to exceed one month). (b) Each Intermediate offense may be punished by: a fine not to exceed \$20,000 and/or (in the case of a licensee NOT the casino operator) suspension of the license for a period not to exceed six months). (c) Each Major offense may be punished by: no punishment; a written warning; a fine not to exceed \$50,000 and/or (in the case

of a licensee NOT the casino operator) suspension of the license for any period of time up to and including license revocation. (d) The casino operator license may be suspended or modified at the discretion of the Commission upon a finding that one or more major offenses have occurred. (e) The casino operator license may be terminated at the discretion of the Commission upon a finding that major offenses have repeatedly occurred. (f) Any time a license is suspended for any period of time, the Commission or Executive Director may impose restrictions and conditions of any type deemed necessary which must be followed by the licensee after the period of suspension has ended.

PART 2700

Surveillance

§ 175-10.1-2701	General Surveillance Requirement
175-10.1-2705	Surveillance Department; Independence
175-10.1-2710	Control and Access
175-10.1-2715	Casino Floor Plan
175-10.1-2720	Dedicated Coverage Generally
175-10.1-2725	Specific Surveillance Requirements
175-10.1-2730	Surveillance Room Access and Control
175-10.1-2735	Mandatory Monitoring and Recording
175-10.1-2740	Surveillance Release Log
175-10.1-2745	Panic Alarms
§ 175-10.1-2750	Duty to Notify Commission

§175-10.1-2701 General Surveillance Requirement (a) Closed circuit surveillance systems and surveillance coverage of the casino operator licensee shall continuously comply with all requirements of the Regulations and the MICS promulgated by the Commission by Rule or Order.

§175-10.1-2705 Surveillance Department; Independence. (a) The casino licensee shall have a Surveillance Department. The Surveillance Department shall be independent of all other departments and headed by a Vice President who also may head the Security Department. (b) Surveillance personnel shall have no other duties within the operation. (c) Surveillance personnel are prohibited from receiving or consuming any intoxicating substance while on the premises. (d) Surveillance Department members are not allowed to accept tips, gratuities or gifts of any kind from any player or patron.

§175-10.1-2710 Control and Access (a) Unless otherwise specifically authorized by the Commission, only Surveillance and Commission personnel shall be permitted direct or indirect control, use of, or access to Surveillance Department camera systems or Surveillance Department room. (b) Security may operate a closed circuit television (CCTV) system to monitor non-gaming areas. Surveillance may have access or override authority for Security's CCTV. However, Security shall not have access to the system operated by Surveillance. (c) The Vice President in charge of Surveillance may have a surveillance monitor and related equipment necessary to select and direct various Surveillance Department cameras in his office offsite at the Casino Licensee's sole risk; however, both the Surveillance Department and CCC shall be able to override the

controls in the Vice President for Surveillance's office. Neither the Surveillance Department nor the Vice President for Surveillance shall have the capability to monitor any camera inside the Commission's Surveillance room. A video recorder shall be maintained by the Surveillance Department that records all video displayed on the Vice President for Surveillance's monitor. Video recordings from the Vice President for Surveillance's recorder shall be maintained by the Surveillance Department for at least 30 days and be immediately available to any Commission agent upon request. (d) Neither the Casino's Surveillance Department nor the Vice President for Surveillance shall have the ability to view any camera in the Commission's Surveillance room.

§175-10.1-2715 Casino Floor Plan. (a) A copy of the current casino floor plan showing the placement of all surveillance cameras shall be posted in the Surveillance Department room within 24 hours of any change. (b) A copy of the current casino floor plan showing the placement of all surveillance cameras shall be provided to the Commission for posting in the Commission's surveillance room within 24 hours of any change. (c) The floor plans referred to in (a) and (b) shall list whether each camera is fixed or PTZ. (d) The Casino floor plans (both former and current) are deemed confidential and not suitable for public inspection or copying.

§175-10.1-2720 Dedicated Coverage Generally. (a) All required dedicated camera coverage shall remain in the Commission approved position. (b) When changes to required dedicated camera coverage are needed, the CCC shall approve the new coverage prior to use. (c) The Commission's order approving surveillance coverage is deemed confidential and not subject to public inspection or copying. (d) All PTZ cameras will have a commission approved home position.

§175-10.1-2725 Specific Surveillance Requirements. (a) Surveillance coverage of slot machines shall provide sufficient clarity to read both the asset number and game outcome. (b) Surveillance coverage of table games shall meet the following standards: (1) Fixed cameras shall provide views that enable a layperson to clearly determine table number, chip values, cash denominations, card values (including pips, face cards [K, Q or J] and, if relevant, suits), and game outcome (e.g., ability to reconstruct hands); (2) Dedicated coverage of the game outcome on table games is only required for games which do not have an automated game history that records at least the last 50 rounds of play; (3) Table bank trays, betting areas and card placement shall be continuously covered. Rail-to-rail fixed coverage is not required; (4) Player's and Dealer's hands shall be recorded by Surveillance anytime the person's hands touch cards, chips in the betting area, or the chip tray. If table size or field of view is such that one fixed camera cannot provide the required coverage, whatever number of cameras needed to meet the coverage requirements shall be used; (5) If PTZ cameras are used to provide the required continuous coverage, they shall be locked in position dedicated to that location and shall function as a fixed camera; (6) Any signage displaying the value of a progressive or bad beat award shall have dedicated coverage. (c) Surveillance coverage in the cage shall be recorded with sufficient clarity to identify all paperwork and the denomination of chips and currency. (d) Surveillance coverage of the entry and exit areas shall be sufficiently clear to permit identification of persons. (e) Panic alarms shall be audible in the Surveillance room.

§175-10.1-2730 Surveillance Room Access and Control. (a) Unless otherwise specifically authorized by CCC, access to the surveillance room is restricted to Surveillance and CCC personnel. Management higher than the Vice President for Surveillance may enter the room if accompanied by a CCC agent and their access shall be recorded on a Surveillance Ingress/Egress Log. (b) Any person other than a person listed in (a) needing access to the surveillance room shall obtain prior permission of the Commission and their access shall be recorded on a Surveillance Ingress/Egress Log. (c) The Executive Director shall be notified prior to internal or external auditors accessing the surveillance room. Auditor access shall be limited to the following: (1) Internal Audit may access the surveillance room to perform audit work up to 30 hours per calendar quarter. Additional hours may be granted by the Executive Director upon request; and (2) External Audit personnel may access the surveillance room to perform audit work up to 15 hours per calendar quarter. Additional hours may be granted by the Executive Director upon request. (d) The surveillance equipment in the casino's surveillance room shall be able to monitor and record without being overridden by anyone other than the CCC. Only Surveillance and Commission personnel shall have the ability to monitor the camera(s) installed in the casino's surveillance room. (e) The surveillance equipment in the Commission's surveillance room shall be able to monitor and record without being overridden. Only Commission personnel shall have the ability to monitor the camera(s) installed in the Commission's surveillance room.

§175-10.1-2735 Mandatory Monitoring and Recording. (a) Surveillance personnel shall video record in its entirety and continuously monitor all drops and counts, including drops and counts of pooled dealer, cage cashier and slot attendant tips. (b) The Commission may require monitoring and requiring of any other event the Commission deems necessary in the MICS.

§175-10.1-2740 Surveillance Release Log. (a) A Surveillance Release Log shall be maintained recording who receives a copy of video recordings. (b) The casino operator shall provide all images and recordings to the Commission or its agent upon request. (c) Video recordings of criminal or regulatory investigations or violations shall not be released to anyone without the approval of a CCC agent, except that images or recordings of the outside of the facility and surrounding areas and roadways may be freely given upon request of any law enforcement officer acting in his or her official capacity.

§175-10.1-2745 Panic Alarms. (a) Whenever panic alarms are activated the Commission and Security shall be notified. (b) Tests of all panic alarms shall be conducted as required by the Commission.

§175-10.1-2750 Duty to Notify Commission. (a) Surveillance personnel must immediately inform the Commission any time illegal activities or violations of regulations, MICS, or internal controls are suspected. (b) If a video recording exists of the suspected illegal activity or violation of regulations or MICS, the surveillance personnel must immediately notify the Commission agent of the video recording's existence.

PART 2800

Security

§ 175-10.1-2801	General Security Requirement
§ 175-10.1-2805	Surveillance Department; Independence
§ 175-10.1-2810	Mandatory Reporting
§ 175-10.1-2815	Security Incident Log
§ 175-10.1-2820	Emergency Response Plan
§ 175-10.1-2825	Minimum Internal Controls
§ 175-10.1-2830	Casino Access Control: Minors
§ 175-10.1-2835	Casino Access Control: Visibly Intoxicated Persons
§ 175-10.1-2840	Prohibition on Transactions

§175-10.1-2801 General Security Requirement (a) Security systems and personnel of the casino operator licensee shall continuously comply with all requirements of the Regulations and the Minimum Internal Control Systems (MICS) promulgated by the Commission by Rule or Order.

§175-10.1-2805 Security Department; Independence. (a) The casino licensee shall have a Security Department. The Security Department shall be independent of all other departments. (b) Security personnel shall only report to and be supervised by a Vice President who also may supervise Surveillance. (c) Security personnel are prohibited from receiving or consuming any intoxicating substance while on the premises. (d) Security personnel are not allowed to accept tips, gratuities or gifts of any kind from any player or patron.

§175-10.1-2810 Mandatory Reporting (a) Security personnel shall promptly report to the Commission any facts which the licensee has reasonable grounds to believe indicate a violation of law (other than minor traffic violations), or Commission rules (to include Commission Regulations, MICS, Internal Control Systems, and other orders of the Commission) committed by licensees, their employees or others, including, without limitation, the performance of licensed activities different from those permitted under their license. (b) The Commission shall also be immediately notified of all inquiries made by law enforcement or other government officials concerning the conduct of any licensee.

§175-10.1-2815 Security Incident Log. (a) The Commission shall be provided, on a weekly basis, a copy of the Security Incident Log of all Security Incident Reports generated during the reporting period.

§175-10.1-2820 Emergency Response Plan. Security personnel shall be trained to implement the mandatory Emergency Response Plan which the casino operator must submit to the Commission for review.

§175-10.1-2825 Minimum Internal Controls. (a) In addition to any other requirement required by the Commission, the casino licensee's Internal Control System shall contain detailed procedures, including who participates in each activity, their duties and responsibilities, forms completed, signatory responsibilities, and all applicable controls for the following: (1) Medical emergencies; (2) intoxicated persons; (3) disorderly/disruptive patrons; and (4) eviction procedures. (b) The Internal Control

System shall include detailed procedures for preparation and processing of Security Incident Reports, including who participates, their duties and responsibilities, signatory requirements, distribution and all applicable controls. (b) The Commission shall promulgate by Order or rule other Minimum Internal Controls for the Security Department and every other department of the casino licensee.

§175-10.1-2830 Casino Access Control: Minors. (a) Persons under 21 years of age shall not be permitted access to the casino floor unless licensed by the Commission. (b) Persons under 21 years of age shall not be allowed to loiter near a gaming table or machine. (c) Persons under 21 years of age shall not be allowed to place a wager. (d) Persons under 21 years of age shall not be allowed to collect a winning wager in any manner. (e) The enforcement of admission and gambling restrictions for persons under 21 years of age shall include, at a minimum, checking their government-issued photo identification.

§175-10.1-2835 Casino Access Control: Visibly Intoxicated Persons. (a) Persons who are visibly intoxicated shall not be permitted access to or allowed to remain on the casino floor. (b) Persons who are visibly intoxicated shall not be allowed to place a wager.

§175-10.1-2840 Prohibition on Transactions. (a) Security personnel shall not conduct cash transactions without approval of the CCC agent on duty. (b) Security personnel shall not conduct chip or ticket redemptions without approval of the CCC agent on duty.

**SUBCHAPTER 175-10.2
COMMISSION CODE OF ETHICS**

Part 001 CODE OF ETHICS

§175-10.2-101	Commission to follow Government Ethics Act
§175-10.2-105	Responsibilities of Public Office
§175-10.2-110	Commission Policies
§175-10.2-115	Conflict of Interest
§175-10.2-120	Political Activity

§ 175-10.2-101 Commission to follow government Ethics Act The Commission and its employees shall be subject to and follow the Government Ethics Act found in 1 CMC § 8501 et. seq.

§ 175-10.2-105 Responsibilities of Public Office Individuals appointed to the Commission are agents of the public and serve for the benefit of the public. They shall uphold and act in accordance with the Constitution of the United States of America, the Constitution of the Commonwealth of the Northern Mariana Islands, and the rules, Regulations and policies pursuant to the Act and the Government Ethics Act.

§ 175-10.2-110 Commission Policies. Commissioners and staff shall comply fully with the policies and standard procedures approved by the Commission.

§ 175-10.2-115 Conflict of Interest. There is a public trust to be protected from the danger of conflict of interest.

(a) A conflict occurs when an official's responsibilities, duties or activities conflict with the official's private interests, whether they are of a business, family, social or other nature.

(b) A Commissioner has an automatic conflict of interest in matters affecting a Commissioner's spouse, children and siblings. A Commissioner must automatically refrain from voting or engaging in any discussions relating to such family members.

(c) Commissioners and Commission staff shall comply with the following Conflict of Interest restrictions:

1. Shall not use their office/staff to seek employment or conduct business.
2. Shall not use their position to obtain private gain or advantage for themselves, a relative or an entity in which they have a present or potential financial interest.
3. Shall not disclose or use confidential information that is not generally available to the public for his/her own or another person's financial benefit.
4. Shall not participate in transactions that they may influence if they know that a spouse, child, or sibling has a substantial financial interest.
5. Shall not use public funds, time or equipment for their own private gain, unless authorized by law.
6. Shall not participate in, vote on, influence or attempt to influence an official decision if they, or the business they are associated with, have a financial interest or can potentially benefit from the matter, unless the interest or benefit is incidental to their position or would normally accrue to them in their profession, occupation or class.
7. Shall not participate or engage in any conduct or activity that is prohibited by the Act.

§ 175-10.2-115 Political Activity. Each Commissioner, Executive Director and Commission staff must be aware of the rules that limit permissible political activity. The following is intended to highlight the kind of activities that can and cannot be engaged in.

(a) Permissible Activities:

1. Voting for the candidate of his/her choice.
2. Expressing opinions on all political subjects and candidates.
3. Membership in any political party, organization or club.
4. Making voluntary contributions to a political organization for its general expenditures.
5. Lobbying and supporting public, Legislative or other Constitutional amendments.

(b) Prohibited Activities:

1. Use of Commission funds, time, personnel or equipment for political activity unless that use is authorized by law or is incidental to a legally authorized or required activity.
2. Engaging in the discharge, promotion, demotion or changing of the status or compensation of any other official of employee or promising or threatening to do so.
3. Handing over to the other officials or staff any money or other thing of value to promote any political objective.
4. Use of their office or the Commission or influence to interfere with an election, or affect its results, or coerce the political action of any person or party.
5. Being obliged to contribute to any political fund, render any political service or be removed for refusing to do so.
6. Pressuring or coercing staff to participate in political activities or to support political parties or candidates under threat of losing one's employment.
7. Soliciting or receiving political contributions from anyone while on Commission time or on Commission or government property.
8. Campaigning for any candidate for public office during official working hours.
9. Promoting or opposing legislation relating to programs of departments on behalf of the Commission in contravention of Commission authority.



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Eloy S. Inos
Governor

Ralph DLG. Torres
Lieutenant Governor

EXECUTIVE ORDER No. 2015-13

RENEWAL OF DECLARATION OF MAJOR DISASTER AND SIGNIFICANT EMERGENCY IN THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

WHEREAS, on August 2, 2015, Typhoon Soudelor struck the Commonwealth of the Northern Mariana Islands;

WHEREAS, Typhoon Soudelor caused significant damage to public and private property;

WHEREAS, on August 3, 2015, Acting Governor Ralph DLG. Torres issued a Declaration of Major Disaster and Significant Emergency;

WHEREAS, on August 5, 2015, President Barack H. Obama issued a major disaster declaration for the Commonwealth under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121 et seq.:

WHEREAS, full utility services have not yet been restored to the island of Saipan;

WHEREAS, the disruption of critical infrastructure poses a significant threat to the peace, health, and safety of the Commonwealth's residents;

NOW, THEREFORE, I, ELOY S. INOS, pursuant to the authority vested in me as Governor of the Commonwealth of the Northern Mariana Islands by Article III, § 10 of the Commonwealth Constitution and by the Homeland Security and Emergency Management Act of 2013, 1 CMC §§ 20141-20147, do hereby renew the August 3, 2015 Declaration of Major Disaster and Significant Emergency in the Commonwealth of the Northern Mariana Islands.

I HEREBY INVOKE MY AUTHORITY under Article III, § 10 of the Northern Mariana Islands Constitution and under 1 CMC § 20144 to protect the health and safety of the people of the Commonwealth. Accordingly, the following is hereby **ORDERED**:

I. RENEWAL OF DECLARATION OF MAJOR DISASTER AND STATE OF SIGNIFICANT EMERGENCY

The August 3, 2015 Declaration of Major Disaster and Significant Emergency issued by Acting Governor Ralph DLG. Torres is hereby renewed in its entirety without change, except that the report from the Homeland Security and Emergency Management Office to

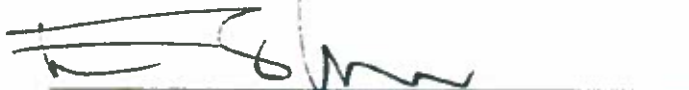
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the Office of the Governor (as described in Section I of the Declaration) shall be submitted on or about October 15, 2015, and the expiration of the Declaration (as described in Section VII) shall be extended an additional thirty (30) days from the date of this Executive Order.

II. EFFECTIVE DATE

This Renewal of the August 3, 2015 Declaration of Major Disaster and State of Significant Emergency shall take effect immediately and remain in effect for thirty (30) days from the date of this Executive Order. All memoranda, directives, waivers of regulations, and other measures taken in accordance with the August 3, 2015 Declaration shall also remain in effect for thirty (30) days from the date of this Executive Order.

Done this 3rd day of September, 2015.



ELOY S. INOS
Governor



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Eloy S. Inos
Governor

Ralph DLG. Torres
Lieutenant Governor

EXECUTIVE ORDER NO. 2015-14

SUBJECT: DECLARATION OF A STATE OF SIGNIFICANT EMERGENCY

AUTHORITY: I, ELOY S. INOS, pursuant to the authority vested in me as Governor of the Commonwealth of the Northern Mariana Islands by Article III, § 10 of the Commonwealth Constitution and PL 18-4, § 104 of the Homeland Security and Emergency Management Act of 2013, do hereby declare a State of Significant Emergency for the Commonwealth of the Northern Mariana Islands due to the imminent threat of the inability of the Commonwealth Utilities Corporation ("CUC") to provide critical power generation, water, and wastewater services to the CNMI and considering the harm such condition would pose to the community, environment, and critical infrastructure of the Commonwealth of the Northern Mariana Islands.

WHEREAS, CUC IS THE SOLE ELECTRICITY SUPPLIER to the Government of the CNMI, including all public safety activities, the schools, and the only hospital. CUC also supplies electricity to most of the CNMI's businesses and homes. While some businesses and agencies own backup generators, they are not generally organized to use the backups as permanent power sources and the diesel oil purchased to run these generators is substantially more expensive than that used for CUC power.

WHEREAS, WITHOUT CUC ELECTRICITY:

- (1) Most CNMI economic activity would come to a halt, much refrigeration and air conditioning would end, and the airports and ports would be forced to rely on emergency generation on the limited, expensive oil supply for it;
- (2) The CNMI's health and safety would immediately be at risk because traffic signals and street lighting would cease to function; emergency, fire, police facilities and their communications systems, and the hospital and island clinics would have to rely on limited fuel supplies for emergency generation and then cease functioning; and much refrigeration of food and medicines would end, as would air conditioning for the elderly and sick;

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- (3) The public schools and the Northern Marianas College would close. Other educational institutions would close as their backup fuel supplies for emergency generators were exhausted; and
- (4) Water and sewage treatment would soon end. One of CUC's largest electric customers is the combined CUC Water and Wastewater Divisions. CUC is the sole supplier of electricity for these systems. CUC's water system relies on electricity to maintain the system pressure needed to prevent the backflow of pathogens, to chlorinate, and to pump, store, and distribute water supplies. CUC's wastewater system requires electricity to collect, pump, process, treat, and discharge sewage. The lack of electricity could result in sewage overflows, contaminating land and water.

WHEREAS, THERE EXISTS A FINANCIAL CRISIS:

- (1) CUC is owed over \$20 million by the public school system ("PSS") and the Commonwealth Healthcare Corporation ("CHC") and is owed over millions more by other users;
- (2) Although the commonwealth economy has recently improved, the improvement is only marginal and the economy and the government's finances are still fragile. This government strains to meet its obligations.
- (3) CUC often only has days' worth of purchased diesel fuel to power its system because it lacks the funds to buy oil from its sole, cash-only supplier. CUC has no credit or other means to buy fuel than the revenue it collects from its customers;

WHEREAS, THERE EXISTS A TECHNICAL WORKER CRISIS:

- (1) CUC faces a manpower crisis. Skilled workers and a responsive support system are key to the success of the operation, particularly for preventative maintenance. At present, CNMI law at 3 CMC §§ 4531 and 4532 prohibits CUC from hiring any more non-U.S. technical workers;
- (2) CUC bears a substantial obligation to deliver highly technical work on time to the satisfaction of the U.S. District Court and the U.S. Environmental Protection Agency ("EPA"), pursuant to two sets of consent, or "Stipulated Orders." Failure to meet the requirements of the federal court orders could subject CUC and the CNMI to substantial fines and charges and, in the extreme, to a federal takeover of their finances;
- (3) CUC requires employees with specialized training. There are many non-U.S. citizens whom CUC needs to retain on technical and professional contracts. Without these positions filled, CUC operations would be severely compromised;
- (4) The legislature, through P.L. 17-1 (Mar. 22, 2010), has limited CUC's ability to hire technical staff, eliminating prior statutory permission to hire up to

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nineteen foreign workers and reinstating a moratorium on the government's hiring of foreign nationals, even if needed for highly technical positions for which no local or mainland citizens are available. The CUC Act, as subsequently reenacted by P.L. 16-17 (Oct. 1, 2008), provides that CUC shall hire such persons as are necessary for operations, *except as otherwise limited by other law*. 4 CMC § 8123(h):

- (5) There are not enough U.S. citizen or U.S. resident technical specialists at CUC to perform the power generation work, particularly specialists with experience in the type of engines that CUC uses. U.S. citizens with the necessary skills are not readily available in the CNMI and it is costly to recruit from the United States. CUC believes that the vast majority of skill sets, considering its cash restrictions, must come from non-U.S. personnel. CUC has tried to hire diesel mechanics in the CNMI, but has been unsuccessful in finding enough qualified candidates;
- (6) The impact of an inadequate workforce is substantial. First, there would be a direct deterioration of service to existing customers. There would be brownouts or area blackouts with the above-mentioned loss of service. Second, the power plants would again degrade, producing more of these outages. Third, if CUC fails to meet federal court deadlines for the Stipulated Orders, the Court could appoint a federal receiver and its consulting team, with all expenses charged to CUC customers.
- (7) CUC's renewal of contracts and hiring of foreign expert workers is necessary to sustain the integrity of CUC's systems. Thus, continued relief from the legislative prohibition on hiring foreign national workers is necessary to ensure the delivery of uninterrupted power services to the people of the Commonwealth. The legislature is urged to address this matter by way of amending local law to allow CUC to continue employing the services of foreign workers for such technical positions difficult to fill and to provide for a reasonable transition period.

WHEREAS, BY THIS DECLARATION OF A STATE OF SIGNIFICANT EMERGENCY, I intend to enable CUC to continue to provide necessary services to the people of the Commonwealth. This Declaration is necessary to protect the health and safety of our children, our senior citizens, businesses, and all other CNMI residents and visitors.

NOW, THEREFORE, I hereby invoke my authority under Article III, § 10 of the Commonwealth Constitution and PL 18-4 § 104(c), to take all necessary measures to address the threats facing the Commonwealth of the Northern Mariana Islands.

It is hereby **ORDERED** that:

This Declaration of a State of Significant Emergency shall take effect immediately and all memoranda, directives, and other measures taken in accordance with this Declaration shall remain in effect for thirty (30) days from the date of this Executive Order unless I,

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prior to the end of the thirty (30)-day period, terminate the declaration of a state of significant emergency. PL 18-4. § 104(g)

Under authority of this Declaration and with the goal of mitigating or ameliorating the above described crises, I immediately direct the following:

DIRECTIVE: Insofar as it applies to CUC, 3 CMC § 4531 is hereby suspended. As a result of the suspension of 3 CMC § 4531, CUC shall have the full power and authority to retain staff which may include employees other than citizens and permanent residents of the United States.

The above described Directive is in no way meant as the limits of my actions or authority under this Declaration. Accordingly, I reserve the right under this Declaration to issue any and all directives necessary to prevent, mitigate or ameliorate the adverse effects of the emergency.

SIGNED AND PROMULGATED on this 16th day of September, 2015.



ELOY S. INOS