

I Mina'trentai Singko Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
101-35 (LS)	Jose "Pedro" Terlaje	AN ACT TO ADOPT RULES AND REGULATIONS FOR GAMES OF CHANCE PURSUANT TO PUBLIC LAW 35-4.	4/22/19 1:44 p.m.						

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2019 (FIRST) Regular Session

Bill No. ^{LS}101-35 (COR)

Introduced by:

Jose "Pedo" Terlaje

**AN ACT TO ADOPT RULES AND REGULATIONS FOR
GAMES OF CHANCE PURSUANT TO PUBLIC LAW 35-4**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section1. Adoption.**

3 *I Liheslaturan Guåhan* hereby adopts the Rules and Regulations, as
4 amended and attached, as Exhibit A entitled "Rules and Regulations for
5 Games of Chance Pursuant to Public Law 35-4."

2019 APR 22 PM 1:44

"Exhibit A"

*Rules & Regulations for Games of Chance
Pursuant to Public Law 35-4*

1 **DEFINITIONS**

2 **1.1 GAMES OF CHANCE**

3 Games of chance are limited to the following and will be clearly defined in the bid
4 packets provided to the vendors:

5 a) Beto Beto

6 b) Color Game

7 c) Big & Small

8 d) Poker, to include, but not be limited to, Texas Hold'em

9 e) Pusoy

10 f) Baccarat

11 g) Blackjack

12 h) Monte

13 i) Bingo

14 **1.2 GAMES REQUIRING SKILL**

15 A carnival game played for entertainment in which:

16 a) The contestant actively participates;

17 b) The outcome depends in a material degree upon the skill of the
18 contestant;

19 c) Only merchandise prizes are awarded.

20 **1.3 HOUSE OF CARDS**

21 A restricted, enclosed area where operation of the following games are limited:

22 Poker, including but not limited to Texas Hold'em, *Pusoy*, Baccarat, Blackjack,
23 and Monte.

1 **2. PROTOCOL FOR AUTHORIZATION, PROCUREMENT OF VENDORS, PROJECTED**
2 **REVENUES, SECURITY PROTOCOL, AND MAINTENANCE PLAN.**

3 Authorization for games of chance shall be pursuant to these rules and regulations
4 and upon the issuance of a proclamation by *I Maga'hågan Guåhan*.

5 **2.1 PROCUREMENT OF VENDORS**

6 Vendors shall be selected through a sealed-bid process with the successful bidders
7 being the highest bidders for each activity. For activities that allow for more than
8 one vendor, the bidders will be ranked in descending order and will be awarded in
9 that order. No vendor may submit a bid whom does not participate in a pre-bid
10 conference.

11 **2.2 NUMBER OF VENDORS; LIMITED**

12 The number of allowable vendors for each type of Game of Chance and Games
13 Requiring Skill are listed below:

14 House of Cards - two (2)

15 Beto Beto - two (2)

16 Color Game - four (4)

17 Big & Small - two (2)

18 Games requiring skill - fifty (50)

19 **2.3 VENDOR; MINIMUM BID**

20 House of Cards Minimum Bid- \$250,000 each

21 Beto Beto Minimum Bid - \$5,000 each

- 1 Color Game Minimum Bid - \$7,500 each
- 2 Big & Small Minimum Bid - \$20,000 each
- 3 Games Requiring Skill Minimum Bid - \$150 - \$1,000 each depending on the
- 4 type of game proposed as will be further specified in the bid packet.
- 5 If minimum bid is not met, highest bidder will be considered.

6 **2.4 PROJECTED REVENUE**

7 The projected revenue is dependent upon the number of vendors that actually
8 participate. A preliminary forecast assumes that each of the available number of
9 slots is awarded at the minimum bid level for the Games of Chance only which
10 would yield \$580,000.00 It is further assumed that all fifty slots for games of skill
11 will be awarded at a minimum bid level of \$150 that will yield and additional
12 \$7,500.00 The total projected revenue based on these assumptions would be
13 \$587,500.00.

14 **2.5 SECURITY PROTOCOL**

15 In order to ensure that no minors will be allowed to partake in the Games of
16 Chance and to minimize the exposure of minors to these games, each vendor will
17 be required to verify the age of each participant.Any government issued
18 identification (foreign or domestic) shall be sufficient for age verification.
19 Further, the House of Cards will be a completely enclosed area and access will be
20 limited as further described in section 5.8.1 below. Uniformed security personnel
21 will be on the grounds at all times. Additionally, plain-clothed security personnel
22 may be present in any House of Cards.

1 **2.6 MAINTENANCE PLAN**

2 The Guam Island Fair and Liberation Day Carnival will implement a zero waste
3 policy. Sorting stations will be placed throughout the grounds so that items can be
4 separated for recycling and proper disposal. Food waste will be provided to local
5 pig farmers for their use. All trash will be disposed of daily. All vendors are
6 required to pay cleaning deposits of \$200 to ensure proper clean up and removal of
7 booths and associated structures within 15 days of the last day of operations. The
8 following services may be contracted out: portable restroom rental with daily
9 cleaning services, grass cutting, ground maintenance, and solid waste removal.

10 **3. LICENSING**

11 **3.1 GENERAL PROVISIONS**

- 12 a) Every qualified individual or organization that has been awarded an
13 opportunity to operate games of chance or games of skill at the 2019 Guam
14 Island Fair and Liberation Day Carnival must obtain a business license for
15 operation from the Department of Revenue and Taxation.
- 16 b) A business license issued by the Department of Revenue and Taxation shall
17 only be valid during the period of operation for the 2019 Guam Island Fair
18 and Liberation Day Carnival.
- 19 c) Licensees are only authorized to operate upon official 2019 Guam Island
20 Fair and Liberation Day Carnival grounds.

21 **3.2 REGISTRATION FORM**

22 Registration for a business license shall be upon a form supplied by the
23 Department of Revenue and Taxation.

1 **4. APPLICATIONS**

2 **4.1 APPLICATION FOR BUSINESS LICENSE; FEES**

3 a) Each individual or organization requesting a business license to operate at
4 the Guam Island Fair and Liberation Day Carnival shall complete an
5 application provided by the Department of Revenue and Taxation and
6 provide proof of eligibility for issuance of said license and pay any fees
7 associated with such license. Such proof shall include the following:

8 1. The by-laws and constitution or any other written authority under
9 with the applicant organization operates;

10 2. The names and addresses of five individuals over the age of 18 who
11 are to be primarily responsible for the conduct of the games of chance
12 on each occasion; and

13 3. If incorporated, a copy of the applicant organization's articles of
14 incorporation

15 b) The Department of Revenue and Taxation, when provided all information
16 required by this section and upon its considered review of such qualifying
17 information, and being satisfied that the applicant is qualified shall issue a
18 business license.

19 **4.2 APPROVAL**

20 No business license shall entitle any organization to hold, operate or
21 conduct, or assist in holding, operating or conducting of, any game or games of
22 chance outside of the official times and locations of operation for the 2019 Guam
23 Island Fair and Liberation Day Carnival.

1 **5. GENERAL CONDUCT OF GAMES OF CHANCE**

2 **5.1 PARTICIPANT; RESTRICTION MINIMUM AGE**

3 No licensee shall permit any person under the age of 18 years to participate in
4 any games of chance outside of the House of Cards. In order to enter the
5 house of cards, licensees shall ensure that all patrons are at least 21 years or
6 older.

7 **5.2 MEMBER IN CHARGE OF CONDUCT OF GAMES**

- 8 a) The officers of a licensee shall designate a bona fide, active member to be in
9 charge of, and primarily responsible for, the conduct of the game of chance
10 on each occasion
- 11 b) The member in charge shall supervise all activities on the occasions for
12 which he or she is in charge and shall be responsible for making the required
13 report of operations thereof.
- 14 c) The member in charge shall be familiar with the provisions of all relevant
15 laws, rules, and regulations.

16 **5.3 OPERATION; RULES**

17 All Games of Chance shall be fully defined and described in bid packets.

18 **5.4 OPERATION; TIMES**

- 19 a) ~~Any Games of Chance shall maintain the same hours of operation as the~~
20 ~~Guam Island Fair and Liberation Day Carnival; except that Games of~~
21 ~~Chance may operate until~~ operate on Monday to Thursday from 4pm – 12
22 am, on Friday from 4:00 p.m - 2:00 a.m., Saturdays 12:00 p.m- 2:00 am, and
23 Sundays from 12:00 p.m.- 12:00 a.m.,-and any Saturday hours shall be in

1 effect for any night prior to, or on an official federal or Guam holiday during
2 the time period authorized.

3 b) Games of Chance *shall begin no earlier than* the opening day of the Guam
4 Island Fair and Liberation Day Carnival, and *shall cease operations no later*
5 *than* sixty (60) calendar days from the date of the opening day.

6 **5.5 OPERATION; LOCATION**

7 Any Games of Chance shall only operate on official grounds of the Guam
8 Island Fair and Liberation Day Carnival as specified by the official proclamation
9 of the Governor of Guam authorizing the games of chance at the Liberation Day
10 Carnival and Guam Island Fair.

11 **5.6 COMPLIANCE**

12 **5.6.1 Compliance Officers; Access to Games of Chance**

13 The Department of Revenue and Taxation shall have two Compliance
14 Officers present on the grounds at all times of operation. Compliance Officers shall
15 have unfettered access to all areas of operations of Games of Chance.

16 **5.6.2 Cash Control Sheets and Reporting Forms**

17 Each individual Game of Chance Booth shall utilize the Cash Control Report
18 Sheets in the form depicted in Attachments “A” and “B” to these Rules that are
19 fully incorporated herein by this reference as if fully set forth here.

1 **5.7 CONDUCT OF TRADITIONAL BINGO**

2 **5.7.1 Bingo; Prohibition of Electronic Minding Devices and Card Minding**
3 **Devices**

4 No licensee shall permit the use of electronic minding devices or card minding
5 devices while operating bingo.

6 **5.7.2 Operation;**

7 a) All bingo games shall be played on non-reusable cards that are to be
8 indelibly marked when played.

9 b) The equipment used in the playing of bingo and the method of play shall be
10 such that each card shall have an equal opportunity to be a winner.

11 **5.7.3 Electronic Devices Not Permitted**

12 No Other Electronic games or Devices unauthorized in Guam Law are authorized
13 for use in any Games of Chance.

14 **5.8 CONDUCT OF HOUSE OF CARDS**

15 **5.8.1 Participant; Restriction Minimum Age**

16 No licensee shall permit any person under the age of ~~18~~ 21 years to enter or
17 participate in any games of chance within the House of Cards.

18 **5.8.2 Prohibition of Currency Other Than Official Chips**

19 No licensee shall permit the use of any currency to be used during the conduct of
20 games other than official chips. Official chips shall be purchased within the House
21 of Cards for use during game play. Official chips may only be purchased and
22 redeemed at a centralized location within the House of Cards.

1 **6. MANAGEMENT OF GAMES OF CHANCE BY MAYORS' COUNCIL OF GUAM,**
2 **TIMELINES**

3 The Mayors' Council of Guam will have representation present at all times the
4 Guam Island Fair and Liberation Day Carnival is in operation. Said representative
5 will monitor the conduct of all Games of Chance wherever located on the carnival
6 grounds either in stand alone booths or within a House of Cards. Representatives
7 will ensure that all vendors are appropriately licensed and are providing the
8 required reports to the Department of Revenue and Taxation Compliance Officers
9 ~~in a timely manner~~ on a daily basis.

10 **7. REPORT OF OPERATIONS**

11 **7.1 FORM; TIME**

- 12 1. The report of operation shall be on the form provided by the Department of
13 Revenue and Taxation. The report shall contain the following information:
- 14 a. Gross receipts derived from each day of operation; and
 - 15 b. A list of prizes offered or given and their respective values, if
16 applicable
- 17 2. The licensee shall file one copy of the report to the Compliance Officer at
18 the close of each day of operation.

19 **7.2 SUPPLY OF FORMS**

20 Forms for the Report of Operations shall be supplied by the Department of
21 Revenue and Taxation or the Compliance Officer upon request by a licensee.

1 **7.3 REPORT; NO GAME HELD**

2 When a game is not held on any date when a license, authorizes it to be held,
3 a report to that effect shall nonetheless be filed with the Compliance Officer with
4 the report for the next day of operation.

5 **7.4 DEFAULT**

6 If a licensee fails to file a report within the time required, or if a report is not
7 properly verified, or not fully, accurately and truthfully completed, licensed
8 operations shall be suspended until such time as the default has been corrected. If
9 there is a subsequent suspension, the license shall be revoked for the remainder of
10 the Guam Island Fair and Liberation Day Carnival and no fees shall be reimbursed.
11 Additionally, vendor shall be prohibited from participating in future bids for the
12 next 5 years.

13 **7.5 FINAL REPORTS**

14 **7.5.1 Report By Department of Revenue and Taxation**

15 ~~At~~ Within 60 days of the conclusion of the Liberation Day Festival Activities, the
16 Department of Revenue and Taxation shall submit to the Governor and the Office
17 of Public Accountability a report containing the following information as to the
18 operation of all games of chance occurring at the Festival:

- 19 1. The number of licenses issued,
- 20 2. The names and addresses of each licensee,
- 21 3. The aggregate amount of license fees collected;
- 22 4. The name and address of all persons detected in violation of the laws or
23 regulations; and
- 24 5. The total amount of Business Privilege Taxes and other taxes collected.

1 **7.5.2 Audit of the Mayors' Council of Guam**

2 The Mayors' Council of Guam shall be subject to an audit by the Office of Public
3 Accountability (OPA) within thirty (30) days of completion of the Guam Island
4 Fair and Liberation Day Carnival. All financial documents that are required for
5 this audit shall be submitted by the Mayors' Council of Guam to the OPA. The
6 OPA shall publish the audit and submit its report to the Speaker of *I Liheslaturan*
7 *Guåhan*.

8 **8. DETERMINATION OF PROCEEDS**

9 The proceeds from the Games of Chance are used to fund the events related to
10 Liberation Day including but not limited to memorial events hosted throughout the
11 months of July and August, the Liberation Parade, fireworks displays and other
12 events traditionally associated with the Guam Island Fair and Liberation Day
13 Carnival as well as attendant operational costs. The net proceeds of the Games of
14 Chance will be distributed in the following manner:

15 ~~in accordance with 1 GCA §1013, specifically, the proceeds will be split equally~~
16 ~~between the Mayors' Council of Guam and a charity or worthy public cause~~
17 ~~chosen by the First Gentleman.~~

18 ~~The fifty percent (50%)~~ Forty five percent (45%) of the proceeds that ~~are~~ shall be
19 allocated to the Mayors' Council of Guam, and is shall be deposited into the
20 Mayors' Council of Guam Revolving Fund to be used on projects that are voted on
21 by the Mayors as a whole. This fund is subject to audit by the OPA.

22 Forty five percent (45%) of the proceeds shall be allocated to the First Gentleman's
23 choice of a worthy public cause.

1 It has been determined that the Department of Revenue and Taxation needs
2 additional funding to meet compliance mandates set forth by Public Law 35-4 and
3 the Rules and Regulations promulgated. Therefore, 10% of net proceeds shall go
4 toward the Department of Revenue and Taxation in a separate account set up to
5 offset operational costs for this mandate.