Mayors' Council of Guam
Konsehelon Mahot Guåhan

35GL-19-0361
Speaker Tina Rose Muña Barnes

April 10, 2019

APR 10 2019
Time 6:00 ( )AM (/)PM
Received By:

Hon. Tina Rose Muna Barnes
Speaker
I Mina'trentai Singko Na Liheslaturan Guåhan
Guam Congress Building
163 W. Chalan Santo Papa
Hagatña, GU 96910

RE: SUBMISSION OF PROPOSED RULES AND REGULATIONS PURSUANT TO PL 35-4

Hafa Adai Speaker Barnes:

We respectfully submit the attached Proposed Rules and Regulations authorized by Public Law 35-4. You will also find a Resolution issued by the Mayors' Council of Guam adopting these proposed rules and regulations. The Proposed Rules and Regulations were drafted in consultation with the Guam Department of Revenue and Taxation whose Director jointly signs this letter. The Attorney General of Guam has also signed this letter and is familiar with the attached.

2019 APR 10 PM 6:34

Please do not hesitate to contact me directly if you have any questions or wish to discuss this matter further.

Si Yu'os Ma'ase,

MAYOR MELISSA B. SAVARES
President
Mayors Council of Guam

COUNTERSIGNED:

DAFNE M. SHIMIZU
Director
Department of Revenue and Taxation

Acknowledged by: cc

LEEVIN T. CAMACHO
Attorney General
Office of the Attorney General

0361

Ancient Latte Stones

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Speaker Tina Rose Muña Barnes

APR 10 2019

Time 6:00 ( )AM (/)PM

Received By:

MAYORS' COUNCIL OF GUAM

Resolution No. 2019-16-001

RELATIVE TO THE ADOPTION OF PROPOSED RULES AND REGULATIONS AS REQUIRED BY PUBLIC LAW 35-4

BE IT RESOLVED BY KONSEHELON MAHOT GUÅHAN:

WHEREAS, Public Law 35-4 authorized the Mayors' Council of Guam in consultation with the Guam Department of Revenue and Taxation and the Attorney General of Guam to draft rules and regulations to permit Games of Chance at the Guam Island Fair and Liberation Day Carnival; and

WHEREAS, Public Law 35-4 further requires that any such rules and regulations shall be submitted to the Speaker of *I Liheslaturan Guahan* within sixty (60) days of enactment of said public law; and

WHEREAS, the attached proposed Rules and Regulations were drafted in consultation with the Department of Revenue and Taxation and have been acknowledged by the Office of the Attorney General of Guam; and now, therefore

BE IT RESOLVED that the attached proposed Rules and Regulations be adopted by the Mayors' Council of Guam and that the same be transmitted to the Speaker of *I Liheslaturan Guahan* in accordance with the requirements of Public Law 35-4.

WHEREFORE, WE THE UNDERSIGNED HAVE CAUSED OUR SIGNATURES TO BE AFFIXED TO THIS RESOLUTION THIS 10th DAY OF APRIL, 2019.

SIGNATURE SPECIMEN

MAYORS:

Mayor Paul M. McDonald
Agana Heights

Mayor Doris F. Lujan
Inarajan

Mayor Robert RDC Hofmann
Sinajana

Mayor Kevin J.T. Susuico
Agat

Mayor Allan R.G. Ungacta
Mangilao

Mayor Vicente S. Taitague
Talofofo

Mayor Frankie A. Salas
Asan-Maina

Mayor Ernest T. Chargualaf
Merizo

Mayor Louise C. Rivera
Tamuning-Tumon-Harmon

Mayor June U. Blas
Barrigada

Mayor Rudy A. Paco
Mongmong-Toto-Maite

Mayor Johnny A. Quinata
Umatac

Mayor Jessy C. Gogue
Chalan Pago-Ordot

Mayor Jesse L.G. Alig
Piti

Mayor Rudy M. Matanane
Yigo

Mayor Melissa B. Savares
Dededo

Mayor Dale E. Alvarez
Santa Rita

Mayor Jesse M. Blas
Yona

Mayor John A. Cruz
Hagatña

VICE MAYORS:

Vice Mayor Christopher J. Fejeran
Agat

Vice Mayor Jessie P. Bautista
Barrigada

Vice Mayor Frank A. Benavente
Dededo

Vice Mayor Thomas J. Duenas
Mangilao

Vice Mayor Rudy D. Iriarte
Sinajana

Vice Mayor Kenneth C. Santos
Tamuning-Tumon-Harmon

Vice Mayor Anthony P. Sanchez
Yigo

1. DEFINITIONS

1.1 GAMES OF CHANCE

Games of chance are limited to the following:

a) Beto Beto
b) Color Game
c) Big & Small
d) Poker, to include, but not be limited to, Texas Hold'em
e) Pusoy
f) Baccarat
g) Blackjack
h) Monte
i) Bingo

1.2 GAMES REQUIRING SKILL

A carnival game played for entertainment in which:

a) The contestant actively participates;
b) The outcome depends in a material degree upon the skill of the contestant;
c) Only merchandise prizes are awarded.

1.3 HOUSE OF CARDS

A restricted, enclosed area where operation of the following games are limited: Poker, including but not limited to Texas Hold'em, *Pusoy*, Baccarat, Blackjack, and Monte.

2. PROTOCOL FOR AUTHORIZATION, PROCUREMENT OF VENDORS, PROJECTED REVENUES, SECURITY PROTOCOL, AND MANTENANCE PLAN.

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

2.1 PROCUREMENT OF VENDORS

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

2.2 NUMBER OF VENDORS; LIMITED

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

House of Cards - two (2)

Beto Beto - two (2)

Color Game - four (4)

Big & Small - two (2)

Games requiring skill - fifty (50)

2.3 VENDOR; MINIMUM BID

House of Cards Minimum Bid- $250,000 each

Beto Beto Minimum Bid - $5,000 each

Color Game Minimum Bid - $7,500 each

Big & Small Minimum Bid - $20,000 each

Games Requiring Skill Minimum Bid - $150 - $1,000 each depending on the type of game proposed as will be further specified in the bid packet.

2.4 PROJECTED REVENUE

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

2.5 SECURITY PROTOCOL

In order to ensure that no minors will be allowed to partake in the Games of Chance and to minimize the exposure of minors to these games, each vendor will be required to verify the age of each participant. Further, the House of Cards will be a completely enclosed area and access will be limited as further described in section 5.8.1 below. Uniformed security personnel will be on the grounds at all times. Additionally, plain-clothed security personnel may be present in any House of Cards.

2.6 MAINTENANCE PLAN

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

3. LICENSING

3.1 GENERAL PROVISIONS

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

3.2 REGISTRATION FORM

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

4. APPLICATIONS

4.1 APPLICATION FOR BUSINESS LICENSE; FEES

a) Each individual or organization requesting a business license to operate at the Guam Island Fair and Liberation Day Carnival shall complete an application provided by the Department of Revenue and Taxation and provide proof of eligibility for issuance of said license and pay any fees associated with such license. Such proof shall include the following:
    1. The by-laws and constitution or any other written authority under with the applicant organization operates;

2. The names and addresses of five individuals over the age of 18 who are to be primarily responsible for the conduct of the games of chance on each occasion; and
3. If incorporated, a copy of the applicant organization's articles of incorporation

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

4.2 APPROVAL

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

5. GENERAL CONDUCT OF GAMES OF CHANCE

5.1 PARTICIPANT; RESTRICTION MINIMUM AGE

No licensee shall permit any person under the age of 18 years to participate in any games of chance.

5.2 MEMBER IN CHARGE OF CONDUCT OF GAMES

a) The officers of a licensee shall designate a bona fide, active member to be in charge of, and primarily responsible for, the conduct of the game of chance on each occasion

b) The member in charge shall supervise all activities on the occasions for which he or she is in charge and shall be responsible for making the required report of operations thereof.

c) The member in charge shall be familiar with the provisions of all relevant laws, rules, and regulations.

5.3 OPERATION; RULES

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

5.4 OPERATION; TIMES

a) Any Games of Chance shall maintain the same hours of operation as the Guam Island Fair and Liberation Day Carnival; *except* that Games of Chance may operate until 2:00 a.m. on Fridays and Saturdays, and any

night prior to an official federal or Guam holiday during the time period authorized.

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

5.5 OPERATION; LOCATION

Any Games of Chance shall only operate on official grounds of the Guam Island Fair and Liberation Day Carnival.

5.6 COMPLIANCE

5.6.1 Compliance Officers; Access to Games of Chance

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

5.6.2 Cash Control Sheets and Reporting Forms

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

5.7 CONDUCT OF TRADITIONAL BINGO

5.7.1 Bingo; Prohibition of Electronic Minding Devices and Card Minding Devices

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

5.7.2 Operation;

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

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

5.8 CONDUCT OF HOUSE OF CARDS

5.8.1 Participant; Restriction Minimum Age

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

5.8.2 Prohibition of Currency Other Than Official Chips

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

6. Management of Games of Chance by Mayors' Council of Guam, Timelines

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

7. Report of Operations

7.1 Form; Time

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

7.2 Supply of Forms

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

7.3 Report; No Game Held

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

7.4 DEFAULT

If a licensee fails to file a report within the time required, or if a report is not properly verified, or not fully, accurately and truthfully completed, licensed operations shall be suspended until such time as the default has been corrected.

7.5 FINAL REPORTS

7.5.1 Report By Department of Revenue and Taxation

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

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

7.5.2 Audit of the Mayors' Council of Guam

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

8. DETERMINATION OF PROCEEDS

The proceeds from the Games of Chance are used to fund the events related to Liberation Day including but not limited to memorial events hosted throughout the months of July and August, the Liberation Parade, fireworks displays and other events traditionally associated with the Guam Island Fair and Liberation Day Carnival as well as attendant operational costs. The net proceeds of the Games of Chance will be distributed in accordance with 1 GCA §1013, specifically, the proceeds will be split equally between the Mayors' Council of Guam and a charity or worthy public cause chosen by the First Gentleman.

The fifty percent (50%) of the proceeds that are allocated to the Mayors' Council of Guam is deposited into the Mayors' Council of Guam Revolving Fund to be

used on projects that are voted on by the Mayors as a whole. This fund is subject to audit by the OPA.

ATTACHMENT A

Control Sheet						
Game/Booth						
Owner/Operator						
Manager on Duty						
Date:				Day		
Starting Cash						
Start Time						
Hours	1	2	3	4	5	6
# Games Played						
Staff on Duty	1					
	2					
	3					
	4					
	5					
End Time						
End Cash						
Notes						
Submitted By						
This sheet MUST be turned into the committee at the end of the night.						

ATTACHMENT B

STARTING CASH				
COINS				
$0.01	x		=	
$0.05	x		=	
$0.10	x		=	
$0.25	x		=	
			TOTAL COINS	
CASH				
$1.00	x		=	
$5.00	x		=	
$10.00	x		=	
$20.00	x		=	
$50.00	x		=	
$100.00	x		=	
			TOTAL CASH	

CHECKS				
NAME	**BANK**	**CHECK #**	**DATE**	**AMOUNT**
			TOTAL CHECKS	
			TOTAL STARTING	

PREPARED BY:

PRINT NAME	*SIGNATURE*	*DATE AND TIME*

VERIFIED BY:

PRINT NAME	*SIGNATURE*	*DATE AND TIME*

REVENUE LOG *(BE SURE TO LOG REVENUES EVERY HOUR)*		
TIME	AMOUNT	LOGGED BY

REVENUE LOG *(BE SURE TO LOG REVENUES EVERY HOUR)*		
TIME	AMOUNT	LOGGED BY

REVENUE LOG *(BE SURE TO LOG REVENUES EVERY HOUR)*		
TIME	AMOUNT	LOGGED BY

REVENUE LOG *(BE SURE TO LOG REVENUES EVERY HOUR)*		
TIME	AMOUNT	LOGGED BY

REVENUE LOG *(BE SURE TO LOG REVENUES EVERY HOUR)*		
TIME	AMOUNT	LOGGED BY

ENDING CASH				
COINS				
$0.01	x		=	
$0.05	x		=	
$0.10	x		=	
$0.25	x		=	
			TOTAL COINS	
CASH				
$1.00	x		=	
$5.00	x		=	
$10.00	x		=	
$20.00	x		=	
$50.00	x		=	
$100.00	x		=	
			TOTAL CASH	

CHECKS				
NAME	BANK	CHECK #	DATE	AMOUNT
			TOTAL CHECKS	
			TOTAL STARTING	

PREPARED BY:

PRINT NAME	*SIGNATURE*	*DATE AND TIME*

VERIFIED BY:

PRINT NAME	*SIGNATURE*	*DATE AND TIME*