UFISINAN I MAGA'HÅGA
OFFICE OF THE GOVERNOR

LOURDES A. LEON GUERRERO
MAGA'HÅGA • GOVERNOR

JOSHUA F. TENORIO
SIGUNDO MAGA'LÅHI • LIEUTENANT GOVERNOR

35GL-19-0481
Speaker Tina Rose Muña Barnes

MAY 03 2019
Time 4:34 ( )AM (X)PM
Received By: Matt

2019 MAY -3 PM 5:08

May 3, 2019

Honorable Tina Rose Muña-Barnes
Speaker
I Mina'trentai Singko Na Liheslaturan Guåhan
Guam Congress Building
Hagåtña, Guam 96910

RE: ***Bill No. 101-35 (LS), "An Act to Adopt the Rules and Regulations For Games of Chance Pursuant to Public Law 35-4"***

Dear Madam Speaker:

I have signed Bill 101-35 into law as **Public Law 35-10.**

I am pleased with the cooperative efforts made to ensure the success of the goals set out by P.L. 35-4. I believe these rules and regulations adequately safeguard against the concerns that our community has with "Games of Chance." In addition, a significant portion of these proceeds will go towards not for profit organizations.

Our focus of this year's Guam Island Fair and Liberation Day Carnival is more than just the Games of Chance. I hope that the island enjoys all of the efforts made to commemorate the Diamond Anniversary of our liberation.

Senseremente,

LOURDES A. LEON GUERRERO
Maga'hågan Guåhan
Governor of Guam

Enclosure

RICARDO J. BORDALLO GOVERNOR'S COMPLEX · HAGÅTÑA, GUAM 96910
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0481

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

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'HÅGAN GUÅHAN*

This is to certify that **Bill No. 101-35 (LS), "AN ACT TO ADOPT THE RULES AND REGULATIONS FOR GAMES OF CHANCE PURSUANT TO PUBLIC LAW 35-4,"** was on the 1st day of May 2019, duly and regularly passed.

Tina Rose Muña Barnes
Speaker

Attested:

Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 2nd day of May, 2019, at 4:50 o'clock P.M.

Assistant Staff Officer
Maga'håga's Office

APPROVED:

Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 5/3/2019

Public Law No. 35-10

2019-2639
RCVD AT CENTRAL FILES
MAY 2'19 PM4:50
Tina Sanchez

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

Bill No. 101-35 (LS)
As amended by the Committee on Public Safety,
Border Safety, Military and Veteran Affairs,
Mayors Council, Infrastructure, and Public Transit;
and further amended on the Floor.

Introduced by: Jose "Pedo" Terlaje
William M. Castro
Régine Biscoe Lee
Kelly Marsh (Taitano), PhD
James C. Moylan
Louise B. Muña
Tina Rose Muña Barnes
Telena Cruz Nelson
Clynton E. Ridgell
Joe S. San Agustin
Amanda L. Shelton
Telo T. Taitague
Therese M. Terlaje
Mary Camacho Torres

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

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Adoption. *I Liheslaturan Guåhan* hereby adopts the Rules and Regulations, as amended and attached as "Exhibit A," entitled: "Rules and Regulations for Games of Chance Pursuant to Public Law 35-4."

Section 2. The prohibition against gambling contained in Chapter 64 of Title 9, Guam Code Annotated, *shall not* apply to the games of chance for the Guam Island Fair and Liberation Day Carnival authorized by this Act.

"Exhibit A"

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

1.0 DEFINITIONS

1.1 GAMES OF CHANCE

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

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 CARNIVAL GAMES

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;
d) the outcome is not in control of the operator; and
e) the wagers are placed, the winners are determined, and a distribution of prizes or property is made in the presence of all persons placing wagers at such game.

1.3 HOUSE OF CARDS

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

2.0 PROTOCOL FOR AUTHORIZATION, PROCUREMENT OF VENDORS, PROJECTED REVENUES, SECURITY PROTOCOL, AND MAINTENANCE 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

Bids for games of chance *shall* be opened publicly and read out loud at an announced date and time. Vendors *shall* be selected through a sealed-bid process with the successful bidders being both in good standing with the Department of Revenue and Taxation (DRT) and the highest bidders for each activity. For activities that allow for more than one (1) vendor, the successful bidders *shall* also be in good standing with DRT and 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. All prospective bidders must include a police and court clearance. Bidders not in good standing with DRT at the time of the bid or during the Guam Island Fair and Liberation Day Carnival, will not be qualified to bid or participate as a vendor at the Guam Island Fair and Liberation Day Carnival. The pre-bid conference will be publicly noticed and all successful bidders will be publicly announced.

2.2 NUMBER OF VENDORS; LIMITED

The number of allowable vendors for each type of game of chance and carnival games are listed below:

House of Cards - two (2)

Beto Beto - two (2)

Color Game - four (4)

Big & Small - two (2)

Carnival Games - fifty (50)

2.3 VENDOR; MINIMUM BID

House of Cards Minimum Bid – Two Hundred Fifty Thousand Dollars ($250,000) each

Beto Beto Minimum Bid – Five Thousand Dollars ($5,000) each

Color Game Minimum Bid – Seven Thousand Five Hundred Dollars ($7,500) each

Big & Small Minimum Bid – Twenty thousand Dollars ($20,000) each

Carnival Games Minimum Bid – One Hundred Fifty Dollars through One Thousand Dollars ($150 - $1,000) each depending on the type of game proposed, as will be further specified in the bid packet.

If minimum bid is not met, highest bidder will be considered. If minimum bid is not met, the Carnival Committee may consider a lower minimum bid and do a rebid process.

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 Five Hundred Eighty Thousand Dollars ($580,000). It is further assumed that all fifty (50) slots for Carnival Games will be awarded at a minimum bid level of One Hundred Fifty Dollars ($150) that will yield an additional Seven Thousand Five Hundred Dollars ($7,500). The total projected revenue based on these assumptions would be Five Hundred Eighty-seven Thousand Five Hundred Dollars ($587,500).

2.5 SECURITY PROTOCOL

In order to ensure that no person under the age of twenty-one (21) will be allowed to partake in the games of chance inside the House of Cards, and to minimize the exposure of persons under the age of twenty-one (21) to these games, each vendor will be required to verify the age of each participant. No one under the age of twenty-one (21) shall be employed by or present in any manner within the House of Cards. Any government issued identification (foreign or domestic) *shall* be sufficient for age verification. 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. Additionally, plain-clothed security personnel may be present in any House of Cards. If a person under the age of twenty-one (21) is found within a House of Cards at any time, the House of Cards vendor *shall*, in the first such instance, be issued a One Thousand Dollars ($1,000) penalty payable to the Treasurer of Guam within five (5) business days of the occurrence; in the second instance, the House of Cards vendor *shall* be issued a Five Thousand Dollars ($5,000) penalty payable to the Treasurer of Guam within five (5) business days; in the third instance, the House of Cards vendor *shall* be shut down and no longer able to operate during the Guam Island Fair and Liberation Day Carnival; and *shall* be prohibited from participating in future bids for the next five (5) years. Any and all revenues derived from such penalties *shall* be appropriated to Guam Behavioral Health and Wellness Center.

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 of Two Hundred Dollars ($200) to ensure proper clean up

and removal of booths and associated structures within fifteen (15) days of the last day of operations. The refundable cleaning deposit fees are: Five Thousand Dollars ($5,000) for House of Cards; Two Thousand Five Hundred Dollars ($2,500) for Big & Small, Color Game, Beto-Beto; Five Hundred Dollars ($500) for Food, Confectionaries, Drinks, Amusement Rides, Live Animal Displays; Two Hundred Dollars ($200) for Carnival Games; and One Hundred Dollars ($100) for Miscellaneous. Fees will only be refunded after an inspection is done by the Carnival Committee and accepts the area as being returned to its pre-carnival condition. Any expenses that must be incurred by the Carnival Committee to return the vendor's assigned area to pre-carnival condition will be deducted from the refundable clean up fee. If costs are incurred to return the area to pre-carnival condition, then no refund will be made and vendor will be billed and obligated to pay additional costs. The following services may be contracted out: portable restroom rental with daily cleaning services, grass cutting, ground maintenance, and solid waste removal.

3.0 LICENSING

3.1 GENERAL PROVISIONS

a) Every qualified individual or organization that has been awarded an opportunity to operate games of chance or carnival games at the 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 Guam Island Fair and Liberation Day Carnival.

c) Licensees are only authorized to operate upon the official 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.

4.0 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 a minimum of five (5) individuals over the age of eighteen (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 the 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 Guam Island Fair and Liberation Day Carnival.

5.0 General Conduct of Games of Chance

5.1 Participant, Employee; Restriction Minimum Age

No licensee shall permit any person under the age of eighteen (18) years to participate in any games of chance located outside of the House of Cards. In order to enter the House of Cards, licensees *shall* ensure that all patrons are at least twenty-one (21) years of age or older. Further, no person under the age of twenty-one (21) shall be employed by the House of Cards vendor or present in any manner within the House of Cards.

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 and rules and regulations.

d) All members designated in charge of conduct of games *shall* submit a police and court clearance.

5.3 Operation; Rules

All games of chance *shall* be fully defined and described in bid packets.

5.4 OPERATION; TIMES

a) Games of chance *shall* operate on Monday to Thursday from 4:00 p.m. - 12:00 a.m., on Friday from 4:00 p.m. - 2:00 a.m., on Saturdays from 12:00 p.m. - 2:00 am, and on Sundays from 12:00 p.m. - 12:00 a.m. Saturday hours *shall* be in effect for any night prior to, or on 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) calendar days from the date of the opening day.

5.5 OPERATION; LOCATION

Any games of chance *shall* only operate on the official grounds of the Guam Island Fair and Liberation Day Carnival, as specified by the official proclamation of the Governor of Guam authorizing the games of chance at the Guam Island Fair and Liberation Day Carnival.

COMPLIANCE

5.6.1 Compliance Officers; Access to Games of Chance

The Department of Revenue and Taxation *shall* have two (2) Compliance Officers present on the grounds at all times of operation. Compliance Officers *shall* have unfettered access to all areas of operations of the 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. The Department of Revenue and Taxation *shall* verify "start cash" before opening and "end cash" daily.

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.

5.7.3 Electronic Devices Not Permitted

No other electronic games or devices unauthorized in Guam law are authorized for use in any games of chance.

CONDUCT OF HOUSE OF CARDS

5.8.1 Participant, Employee; Restriction Minimum Age

No licensee shall permit any person under the age of twenty-one (21) years to enter or participate in any games of chance within the House of Cards. This *shall* include that no one under the age of twenty-one (21) shall be employed by the House of Cards vendor or present in any manner 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.

6.0 MANAGEMENT OF GAMES OF CHANCE BY MAYORS' COUNCIL OF GUAM, TIMELINES

The Mayors' Council of Guam will have representation present at all times that the Guam Island Fair and Liberation Day Carnival is in operation. Said representative will monitor the conduct of all games of chance wherever 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 on a daily basis.

7.0 REPORT OF OPERATIONS

7.1 FORM; TIME

a) 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.

b) The licensee *shall* file one (1) copy of the report with 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. If there is a subsequent suspension, the license *shall* be revoked for the remainder of the Guam Island Fair and Liberation Day Carnival; and, no fees shall be reimbursed. Additionally, the vendor *shall* be prohibited from participating in future bids for the next five (5) years.

7.5 FINAL REPORTS

7.5.1 Report by Department of Revenue and Taxation

Within sixty (60) days of the conclusion of the Guam Island Fair and Liberation Day Carnival 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 Guam Island Fair and Liberation Day Carnival:

a) the number of licenses issued;
b) the names and addresses of each licensee;
c) the aggregate amount of license fees collected;
d) the name and address of all persons detected in violation of the laws or regulations; and

e) 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.*

8.0 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, and the costs incurred by the Department of Revenue and Taxation in fulfilling the compliance mandates set forth by Public Law 35-4, to include, but not limited to, staffing, equipment, and overtime.

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 allocated to the Mayors Council of Guam *shall* be deposited in 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. The remaining fifty percent (50%) of the proceeds *shall* be allocated to the First Gentleman's choice of a worthy public cause.

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*