

## California Moves Towards Legalized Online Poker

Assembly Bill 2863, the first robust piece of legislation that authorizes online poker in the State of California to have a formal committee vote, passed unanimously. The bill, as currently drafted, would establish a regulatory process that would allow tribes and California licensed card rooms to operate online poker through an interstate model and establishes a fund for the horse racing industry. Several issues, such as the taxation and license fees structures, as well as licensee eligibility provisions still need to be determined. Assemblyman Adam Gray, Chairman of the Committee of Governmental Affairs, and Assemblyman Reginald B. Jones-Sawyer, Sr., sponsored the bill.

"On behalf of the 34 member tribes of CNIGA, I commend the Governmental Organization Committee for moving Assembly Bill 2863," said Chairman Steve Sallings of the California Nations Indian Gaming Association (CNIGA). "We thank Committee Chairman Adam Gray and Assembly leadership for their commitment to move this issue forward."

For nearly a decade, Internet poker has been a hotly debated issue. The vote on AB 2863 marks a turning point on the issue.

"For the first time, we have moved closer to a consensus with tribal governments, cardrooms, horse racing industry and labor groups supporting a safe and secure environment for Californians to use today's technology to play poker," said Stallings. "Following established association guidelines, we know and understand the complexity of this issue and understand that more work is needed. However, with the momentum established today, an Internet poker bill can and will pass this year. We look forward to continued discussions with stakeholders and the Legislature."

### Excerpts from AB 2863

*This bill, which would be known as the Internet Poker Consumer Protection Act of 2016, would establish a framework to authorize intrastate Internet poker, as specified. The bill would authorize eligible entities to apply for a 7-year license to operate an authorized poker Web site offering the play of authorized Internet poker games to registered players within California, as specified.*

*The bill would establish a tribal gaming regulatory authority process for the purpose of processing tribal employee work permits, and authorize a tribe that is a licensed operator to elect to participate in the tribal gaming regulatory authority process.*

*This bill would require the payment of an annual regulatory fee, for deposit into the Internet Poker Fund, to be continuously appropriated for the actual costs of license oversight, consumer protection, state regulation, and other purposes related to this bill. The bill would require each licensee to pay a one-time license deposit into the General Fund in an unspecified amount. The license deposit would be credited against quarterly fees equivalent to an unspecified percentage of the licensee's gross gaming revenue proceeds, as specified. The bill would require an applicant for an operator license to provide documentation establishing that the applicant is qualified to pay the one-time license deposit through its own net position or through credit directly to the applicant, as specified. The bill would require the first \$60,000,000 collected each fiscal year pursuant to the license deposit and quarterly fees provisions to be deposited into the California Horse Racing Internet Poker Account, which the bill would establish in the General Fund. Upon becoming operative, the bill would continuously appropriate 95% of the funds in the account to the California Horse Racing Board for distribution, as specified, and would transfer 5% of those funds to the Fair and Exposition Fund, a continuously appropriated fund. ♣*

# SAVE THE DATE

**Potawatomi Surveillance Symposium-**  
**August 30<sup>th</sup> & 31<sup>st</sup>, 2016**  
Sponsored by Forest County Potawatomi Gaming Commission

**Internet Gaming Symposium-**  
**September 1<sup>st</sup>, 2016**  
Sponsored by Forest County Potawatomi Gaming Commission & the NTGCR

**Registration deadline is July 25, 2016**

**LOCATION**  
**Potawatomi Hotel & Casino**  
 1721 West Canal Street  
 Milwaukee, WI 53233

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