

EDDIE BAZA CALVO
Governor



RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

MAR 10 2014

Honorable Judith T. Won Pat, Ed.D
Speaker
I Mina'trentai Dos Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

32-14-130
Office of the Speaker
Judith T. Won Pat, Ed.D.
Date 3-10-14
Time 4:41 PM
Received by [Signature]
2014 MAR 10 5:01

Dear Madame Speaker:

Attached is Bill No. 192-32 (COR), entitled, "*An act to add a new §§ 64.15, 64.16, and 64.17 to Article 1, Chapter 64 of Title 9, Guam Code Annotated, relative to the prohibition and forfeiture of electronic machines or devices to conduct sweepstakes gambling,*" which I signed into law as new **Public Law 32-130**.

Bill 192 was sponsored and authored by Vice-Speaker B.J. Cruz with the assistance of the Attorney General of Guam. At the public hearing held of Bill 192 held on October 15, 2013, Vice-Speaker Cruz stated that the intention and purpose of Bill 192 is not to bar all forms of gambling, but rather it is expressly intended to apply to, and to limit only, online gambling using the internet. That is, Bill 192 prohibits the operation of cyber casinos where games such as slot machines, blackjack, and keno are played over the internet. "Points" acquired from the cyber casino play are then converted to sweepstakes entries with the intent of winning a monetary payout.

The Vice-Speaker's testimony at the public hearing makes it clear that the purpose and intention of Bill 192 is not to prohibit gaming activities that are currently authorized such as bingo, cockpit, or the gaming machines identified by *I Liheslaturan* in Public Law 30-060: "*These aren't the gaming machines that you see at the bars and restaurants throughout the island, these are computers and the place is called, where it's at, is called "Sweeps," it's called online café.*" . . . *Though I may personally feel like I may want to bar all forms of gambling in this piece of legislation we just wanted to limit to just this, this new technology of online or computerized gambling using the internet.*"

I have signed Bill 192 into law because I wholeheartedly agree that our gaming laws should be updated to address cyber café casinos where internet sweepstakes gambling is played on computer terminals as was described by Vice-Speaker Cruz. I thank *I Liheslaturan* for its hard work in addressing this very important issue.

Senseramente,


EDDIE BAZA CALVO

1384

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) Regular Session

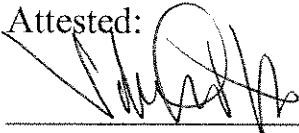
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that **Bill No. 192-32 (COR)**, "AN ACT TO *ADD* NEW §§ 64.15, 64.16 AND 64.17 TO ARTICLE 1, CHAPTER 64 OF TITLE 9, GUAM CODE ANNOTATED, RELATIVE TO THE PROHIBITION AND FORFEITURE OF ELECTRONIC MACHINES OR DEVICES TO CONDUCT SWEEPSTAKES GAMBLING," was on the 1st day of February, 2014, duly and regularly passed.



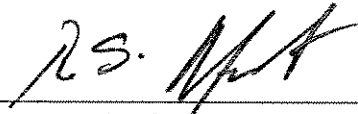
Judith T. Won Pat, Ed.D.
Speaker

Attested:



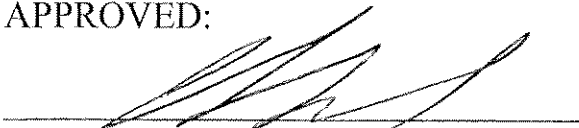
Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 1st day of FEB,
2014, at
10:50 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:



EDWARD J.B. CALVO
I Maga'lahen Guåhan

Date: FEB 13 2014

Public Law No. 32-130

I MINA'TRENTAI DOS NA LIHESLATURAN GUÁHAN
2013 (FIRST) Regular Session

Bill No. 192-32 (COR)

As amended on the Floor.

Introduced by:

B. J.F. Cruz
T. C. Ada
V. Anthony Ada
FRANK B. AGUON, JR.
Chris M. Dueñas
Michael T. Lintiaco
Brant T. McCreadie
Tommy Morrison
T. R. Muña Barnes
Vicente (ben) C. Pangelinan
R. J. Respicio
Dennis G. Rodriguez, Jr.
Michael F. Q. San Nicolas
Aline A. Yamashita, Ph.D.
Judith T. Won Pat, Ed.D.

**AN ACT TO *ADD* NEW §§ 64.15, 64.16 AND 64.17 TO
ARTICLE 1, CHAPTER 64 OF TITLE 9, GUAM CODE
ANNOTATED, RELATIVE TO THE PROHIBITION
AND FORFEITURE OF ELECTRONIC MACHINES OR
DEVICES TO CONDUCT SWEEPSTAKES GAMBLING.**

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

2 **Section 1.** A new § 64.15 is hereby *added* to Article 1, Chapter 64 of Title
3 9, Guam Code Annotated, to read:

4 “§ 64.15. Use of Electronic Machine or Device to Conduct
5 Sweepstakes Illegal.

1 (a) Definitions. As used in this Section, *unless* the context
2 clearly requires otherwise, the following words *shall* have the
3 following meanings:

4 (1) *Electronic machine or device* means a
5 mechanically, electrically or electronically operated machine or
6 device that is owned, leased, or otherwise possessed, by a
7 sweepstakes sponsor or promoter, or any sponsors, promoters,
8 partners, affiliates, subsidiaries, or contractors thereof, that is
9 intended to be used by a sweepstakes entrant, that uses energy,
10 and that is capable of displaying information on a screen or
11 other mechanism. This Section is applicable to an electronic
12 machine or device whether or not it:

13 (A) is server-based;

14 (B) uses a simulated game terminal as a
15 representation of the prizes associated with the results of
16 the sweepstakes entries;

17 (C) utilizes software such that the simulated
18 game influences or determines the winning or value of
19 the prize;

20 (D) selects prizes from a predetermined finite
21 pool of entries;

22 (E) utilizes a mechanism that reveals the content
23 of a predetermined sweepstakes entry;

24 (F) predetermines the prize results and stores
25 those results for delivery at the time the sweepstakes
26 entry results are revealed;

27 (G) utilizes software to create a game result;

1 (H) requires deposit of any money, coin, or
2 token, or the use of any credit card, debit card, prepaid
3 card, or any other method of payment to activate the
4 electronic machine or device;

5 (I) requires direct payment into the electronic
6 machine or device, or remote activation of the electronic
7 machine or device;

8 (J) requires purchase of a related product
9 having legitimate value;

10 (K) reveals the prize incrementally, even though
11 it may *not* influence whether or not a prize is to be
12 awarded or the value of any prize awarded;

13 (L) determines and associates the prize with an
14 entry or entries at the time the sweepstakes is entered;

15 (M) is a slot machine or other form of electrical,
16 mechanical, or computer game.

17 *Electronic machine or device* also includes gambling
18 devices as defined in §64.20(b) of this Chapter.

19 (2) *Enter or entry* means the act or process by which a
20 person becomes eligible to receive any prize offered in a
21 sweepstakes.

22 (3) *Entertaining display* means any visual information,
23 capable of being seen by a sweepstakes entrant, that takes the
24 form of actual game play, or simulated game play.

25 (4) *Game play or simulated game play* means any
26 game play whether actual or electronically simulated which
27 when played may return winnings (other than free games *not*

1 redeemable for cash) of value to the user based partially or
2 completely upon chance, which a user is required to participate
3 in prior to the reveal of a prize, or the receipt of anything of
4 value.

5 (5) *Prize* means any gift, award, gratuity, good,
6 service, credit, or anything else of value, which may be
7 transferred to a person, whether possession of the prize is
8 actually transferred, or placed on an account or other record as
9 evidence of the intent to transfer the prize.

10 (6) *Sweepstakes* means any game, advertising scheme
11 or plan, or other promotion, which uses an electronic machine
12 or device as defined in this Section, with or without payment of
13 any consideration, that a person may enter to win or become
14 eligible to receive any prize, the determination of which is
15 based partially or completely upon chance.

16 (b) It *shall* be unlawful for any person to operate or
17 knowingly possess with the intent to operate, or place into operation,
18 an electronic machine or device to:

19 (1) conduct a sweepstakes through the use of an
20 entertaining display, including the entry process or the reveal of
21 a prize; or

22 (2) promote a sweepstakes that is conducted through
23 the use of an entertaining display, including the entry process or
24 the reveal of a prize.

25 (c) Nothing in this Section shall be construed to make illegal
26 any activity which is lawfully conducted pursuant to Title 9 GCA,
27 Chapter 64, Article 2.”

1 **Section 2.** A new § 64.16 is hereby *added* to Article 1, Chapter 64 of Title
2 9, Guam Code Annotated, to read:

3 “§ 64.16. **Forfeiture of Electronic Machine or Device Used to**
4 **Conduct Sweepstakes.**

5 Upon a determination by the Department of Revenue and Taxation or
6 the Attorney General that probable cause exists to believe that any electronic
7 machine or device is being operated or is intended to be operated to conduct
8 a sweepstakes or promote a sweepstakes in violation of Title 9 GCA §64.15
9 above, the electronic machine or device *shall* be subject to immediate
10 seizure by law enforcement officials from the Department of Revenue and
11 Taxation, the Guam Police Department, or the Office of the Attorney
12 General. Any government entity in possession of a seized electronic machine
13 or device *shall* retain the item pending a disposition order from a Superior
14 Court judge. Upon application by the Department of Revenue and Taxation,
15 or the Attorney General, or the owner of the electronic machine or device,
16 and after notice to all parties and an opportunity to be heard by all parties, if
17 the court determines that it is unlawful to possess the electronic machine or
18 device, the Director of the Department of Revenue and Taxation, or the
19 Attorney General, may have the electronic machine or device destroyed, or
20 may use the electronic machine or device for training, or may sell the
21 electronic machine or device at an auction to be held at the place where the
22 electronic machine or device is located, or at another place as determined by
23 the Director of the Department of Revenue and Taxation, or the Attorney
24 General. If the court determines that the electronic machine or device is *not*
25 unlawful to possess under Title 9 GCA §64.15, the electronic machine or
26 device *shall* be ordered released to its owner upon satisfactory proof of
27 ownership. Neither the government of Guam nor its officials, employees or

1 agents shall be liable for the seizure of electronic machines and devices
2 under this statute when a court determines that the electronic machine or
3 device is ordered to be released to its owner. The foregoing procedures for
4 release *shall not* apply with respect to an item seized for use as evidence in
5 any criminal action or proceeding until after entry of final judgment.”

6 **Section 3.** A new § 64.17 is hereby *added* to Article 1, Chapter 64 of Title
7 9, Guam Code Annotated, to read:

8 **“§ 64.17. Penalties.**

9 (a) Any person who violates Title 9 GCA § 64.15 *shall* be
10 guilty of a felony punishable by imprisonment of *not more than* five
11 (5) years and a fine *not to exceed* \$250,000, or both. Each violation of
12 Title 9 GCA § 64.15 *shall* be considered a separate offense.

13 (b) Any person who violates Title 9 GCA § 64.15 may also
14 be subject to an administrative penalty of *not more than* \$250,000, to
15 be assessed by a decision and order of the Director of the Department
16 of Revenue and Taxation. Each violation of Title 9 GCA § 64.15 *shall*
17 be considered a separate offense.

18 (1) Before issuing a decision and order assessing an
19 administrative penalty, the Department of Revenue and
20 Taxation *shall* give written notice, in the form of an accusation,
21 to the person to be assessed an administrative penalty.

22 (2) The person to be assessed an administrative
23 penalty *shall* be entitled to notice, to a hearing before the
24 Director of the Department of Revenue and Taxation, and to
25 review by the Superior Court according to the procedures in
26 Articles 1 and 2 of the Administrative Adjudication Law.

1 (3) *If* any person fails to comply with an
2 administrative penalty decision and order after the assessment
3 has become final, or after a court in an action brought pursuant
4 to the Administrative Adjudication Law has entered a final
5 judgment in favor of the Director of the Department of Revenue
6 and Taxation, the Attorney General of Guam may bring a civil
7 action to enforce the order and to recover the amount ordered or
8 assessed, plus interest of six percent (6%) per annum from the
9 date of the final administrative decision and order or the date of
10 the final judgment, as the case may be. In this action, the
11 validity, amount, and appropriateness of the penalty assessed by
12 the administrative decision and order or the final judgment of
13 the court made after an appeal of the administrative decision
14 and order *shall not* be subject to review. The Director of the
15 Department of Revenue and Taxation need only show that:

16 (A) notice was given; and

17 (B) a hearing was held, or the time granted for
18 requesting a hearing has run without a request for a
19 hearing; and

20 (C) the penalty was imposed; and

21 (D) the penalty remains unpaid.

22 A judgment of the court entered under this Subpart
23 (3) of § 64.17(b) may be enforced and collected in the
24 same manner as a money judgment of the Superior
25 Court.”