

**Introduced by Senator Correa**December 6, 2010

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An act to add Chapter 5.2 (commencing with Section 19990) to Division 8 of the Business and Professions Code, and to amend Section 330b of the Penal Code, relating to Internet gambling.

## LEGISLATIVE COUNSEL'S DIGEST

SB 40, as introduced, Correa. Internet poker.

The Gambling Control Act provides for the licensure of certain individuals and establishments that conduct controlled games, as defined, and for the regulation of these gambling activities by the California Gambling Control Commission. Existing law provides for the enforcement of those regulations by the Department of Justice. Any violation of these provisions is punishable as a misdemeanor, as specified.

This bill would establish a framework to authorize intrastate Internet poker, as specified. The bill would require the department to adopt regulations, in consultation with the California Gambling Control Commission, governing the intrastate play of poker games on the Internet, and would provide for a licensed entity to operate an intrastate Internet poker Web site. The bill would make it a misdemeanor for any person or entity to offer or participate in any form of illegal Internet gambling, as defined, or to process any financial transaction arising out of participation in illegal Internet gambling. The bill would authorize the seizure of any money or property used in or derived from illegal Internet gambling, as specified, and would provide for any money or property that has been seized to be forfeited to the Internet Gambling Fund, as established by this bill. By creating new crimes, this bill would impose a state-mandated local program.

The bill would authorize the department to assess fees on the licensed entity in an amount reasonably necessary to reimburse the department for its costs in implementing and administering these provisions, including a registration fee. The bill also would require the licensed entity to pay a license fee equal to an unspecified percentage of the fees collected by the licensed entity from players participating in poker games conducted on its Internet Web site. By imposing this fee, the bill would constitute a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of  $\frac{2}{3}$  of the membership of each house of the Legislature. The bill would provide for all fees to be remitted to the Internet Gambling Fund, which would be administered by the Controller subject to annual appropriation by the Legislature.

Existing law, subject to exceptions, generally prohibits the possession and use of a slot machine or device, as defined, and prohibits certain other acts and transactions pertaining to slot machines or devices. Existing law provides varying definitions of slot machine or device for these purposes. Violations of these provisions are punishable by varying misdemeanor penalties.

This bill would provide that personal, networked, or server computers are not included within the term slot machine or device, for purposes of these provisions, if operated pursuant to a valid license or permit to operate an intrastate Internet poker Web site, as defined.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Leading gaming consultants estimate that in 2005, United
- 4 States citizens illegally wagered four billion dollars
- 5 (\$4,000,000,000) online at off-shore, non-United States Internet

1 gambling Web sites, and that every week more than 1,000,000  
2 California citizens play poker on the Internet.

3 (b) Currently, 2,300 Internet gambling Web sites operate outside  
4 the United States, unregulated by any United States governmental  
5 entity and in violation of United States laws. Questions often arise  
6 about the honesty and the fairness of the games played on these  
7 Internet Web sites, and about the true purpose for, and use of,  
8 proceeds generated by these unregulated Internet Web sites.

9 (c) In 2006, Congress passed, and the President signed, the  
10 Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA).  
11 While UIGEA prohibits the use of banking instruments such as  
12 credit cards, checks, or fund transfers for interstate Internet  
13 gambling, the statute has not eliminated illegal, unregulated Internet  
14 gambling, nor has it provided any increased protection for  
15 participants from game operators and others who would impair  
16 the integrity of online gambling activity.

17 (d) Congress included specific provisions in the UIGEA for  
18 individual states to permit intrastate Internet gambling, provided  
19 that state laws permitting and regulating that activity could impose  
20 reasonable protections against participation by underage persons  
21 or by persons located outside the boundaries of the states  
22 authorizing that activity.

23 (e) It is in the best interest of the state and its citizens to permit  
24 operation of a government-regulated intrastate Internet poker  
25 wagering Web site because only through that authorization and  
26 regulation can Californians be ensured that the games they are  
27 playing are honest, that winners are paid when and in amounts  
28 due, and that the state and its citizens, rather than illegal off-shore  
29 companies, will benefit from economic activity in the state. Further,  
30 it is in the interest of the state to adopt a statutory basis for the  
31 regulation of intrastate Internet poker adequate to shield the state  
32 and players from organized crime and other corrupting influences,  
33 ensure that intrastate Internet poker is conducted fairly and honestly  
34 by both a licensed entity and the players, confirm the integrity of  
35 all activities conducted pursuant to this act, and protect the public  
36 health, welfare, and safety of all Californians.

37 (f) The California Constitution provides that “slot machines”  
38 can only be played if located on Indian lands and offered by an  
39 Indian tribe pursuant to a tribal-state gaming compact, and thus,  
40 the use of the devices connected to the Internet for gambling would

1 violate the California Constitution unless those devices are solely  
2 used for the conveyance of information related to the play of  
3 nonbanked, nonpercentage poker games.

4 (g) The only practical and economically feasible way to ensure  
5 that Internet poker conducted entirely within California's borders  
6 receives governmental oversight adequate to ensure that the Internet  
7 Web site offering the gaming remains honest, safe, and in  
8 compliance with all applicable state and federal laws, and that the  
9 State of California receives the economic benefits from that activity  
10 to which the state is entitled, would be to limit that activity to the  
11 Internet Web site owned and operated by a licensed entity formed  
12 under the laws of this state and owned and operated by business  
13 entities licensed under the Gambling Control Act to own and  
14 operate gambling establishments licensed to operate in this state  
15 as of January 1, 2011, and the governments or wholly owned  
16 subentities of federally recognized California tribal governments.  
17 Because California law permits the operation of poker and other  
18 nonbanking, nonpercentage card games, those tribal governments  
19 are entitled under the federal Indian Gaming Regulatory Act  
20 (IGRA), to operate poker and other nonbanking and nonpercentage  
21 card games on their Indian lands without having to enter into class  
22 III gaming compacts with the State of California.

23 (h) The purpose of this act is to provide persons over 21 years  
24 of age who are physically present within the State of California  
25 and desire to use the Internet to play poker games that are not  
26 prohibited by California law, and in a manner consistent with  
27 existing law, with a lawful, highly regulated means of doing so in  
28 conformity with all applicable laws and regulations. Therefore,  
29 nothing in this act, which authorizes the intrastate use of the  
30 Internet to conduct poker games, shall be construed to expand  
31 "gambling," as used in Article 13 (commencing with Section  
32 19960) of Chapter 5 of Division 8 of the Business and Professions  
33 Code.

34 (i) It is in the interest of the state and its citizens to increase  
35 sources of nontax, nonstate revenue for tribal governments to  
36 enhance their ability to provide services to their communities.

37 (j) By enacting this act, the Legislature is expressly authorizing  
38 intrastate Internet poker within the State of California only in the  
39 limited and regulated form provided herein. This express

1 authorization does not authorize any other form or type of gambling  
2 over the Internet.

3 SEC. 2. Chapter 5.2 (commencing with Section 19990) is added  
4 to Division 8 of the Business and Professions Code, to read:

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6

CHAPTER 5.2. INTRASTATE INTERNET POKER

7

8 19990. The following terms shall have the following meanings:

9 (a) “Department” means the Department of Justice and the entity  
10 within the department that is responsible for fulfilling the  
11 obligations imposed upon the department by this chapter.

12 (b) “Gambling” has the same meaning as set forth in subdivision  
13 (l) of Section 19805.

14 (c) “Gambling establishment” has the same meaning as set forth  
15 in subdivision (o) of Section 19805.

16 (d) “Illegal gambling” means participating in, or engaging in  
17 conduct that materially aids, any form of gambling that is not  
18 conducted pursuant to a tribal-state gaming compact or not  
19 otherwise authorized by the laws of this state or the laws of the  
20 United States.

21 (e) “Illegal Internet gambling” means illegal gambling conducted  
22 over the Internet.

23 (f) “Internet” means the international computer network of  
24 interoperable packet switched data networks.

25 (g) “Intrastate” means within the geographical borders of  
26 California.

27 (h) “Intrastate Internet poker” means any nonbanked,  
28 nonpercentage poker game approved for play through use of the  
29 Internet within the state by the department, and that is conducted  
30 in accordance with this chapter.

31 (i) “Licensed entity” means a legal entity formed under the laws  
32 of the State of California by gambling establishments licensed to  
33 operate in this state as of January 1, 2011, and the governments  
34 of federally recognized California Indian tribes eligible to operate  
35 poker games on their Indian lands, or wholly owned subsidiaries  
36 of those tribes, for the purpose of operating an Internet Web site  
37 offering persons over 21 years of age who are physically present  
38 within the State of California the opportunity to play approved  
39 poker games on the Internet within the geographical boundaries  
40 of the State of California.

1 (j) “Person” means an individual, partnership, corporation,  
2 limited liability company, or other business entity, including a  
3 federally recognized California Indian tribe or a subentity of such  
4 a tribe that is wholly owned by the tribe.

5 (k) “Web site” means the unique Uniform Resource Locator of  
6 the licensed entity through which the licensed entity is authorized  
7 to operate intrastate Internet poker games.

8 19991. (a) No person or other entity may operate, for  
9 consideration, poker or other card games over the Internet in  
10 California unless licensed to provide those games by the  
11 department pursuant to this chapter and any regulations adopted  
12 thereunder. Intrastate Internet poker is hereby authorized, but only  
13 to the extent, and in the manner, prescribed in this chapter.

14 (b) Any person or entity that offers or participates in illegal  
15 Internet gambling, or processes any financial transactions arising  
16 out of, or in connection with, participation in illegal Internet  
17 gambling, is guilty of a misdemeanor, and shall be punished by a  
18 fine of up to ten thousand dollars (\$10,000) and imprisonment in  
19 a county jail for up to one year.

20 (c) Any money, other representative of value, or real or personal  
21 property used in, or derived from, illegal Internet gambling shall  
22 be subject to seizure by the department or any peace officer. Upon  
23 a finding by the Superior Court that the money, other representative  
24 of value, or real or personal property was used in, or derived from,  
25 illegal Internet gambling, that money or property shall be forfeited  
26 to the Internet Gambling Fund established in Section 19998.

27 19992. (a) Within 90 days of the effective date of the act  
28 adding this chapter, the department shall adopt regulations, in  
29 consultation with the California Gambling Control Commission,  
30 governing the intrastate play of poker games on the Internet to  
31 provide persons over 21 years of age who are physically present  
32 in California with the same protections enjoyed by persons playing  
33 in gambling establishments or in tribally owned gaming facilities.  
34 The department may issue licenses and promulgate regulations as  
35 it determines may be necessary to implement the provisions of this  
36 chapter, protect that gaming from criminal influences, and protect  
37 the public health, welfare, and safety of the people of California.  
38 However, persons licensed by the California Gambling Control  
39 Commission to own or operate a gambling establishment, the  
40 governments of California Indian tribes recognized by the United

1 States Department of the Interior, Bureau of Indian Affairs, or the  
2 wholly owned subentities of those tribal governments shall not be  
3 required to apply for or obtain licenses to own interests in a  
4 licensed entity.

5 (b) The regulations adopted pursuant to subdivision (a) shall  
6 provide both of the following:

7 (1) Procedures by which a licensed entity may apply for a license  
8 to operate an Internet Web site through which persons over 21  
9 years of age and physically present within the state may play  
10 intrastate Internet poker, with the objective of facilitating the  
11 commencement of operation of the licensed entity's authorized  
12 Internet Web site as quickly as possible, thereby accelerating the  
13 receipt of revenues by the state.

14 (2) Procedures by which persons over 21 years of age who are  
15 physically present in the state may register to lawfully engage in  
16 intrastate Internet poker games through an Internet Web site owned  
17 and operated by the licensed entity.

18 (c) The intrastate Internet poker games shall be honestly and  
19 fairly run.

20 (d) The licensed entity may offer intrastate Internet poker games  
21 pursuant to this chapter only on a network approved by the  
22 department containing an Internet Web site that is registered with  
23 the department to offer that service. The licensed entity shall not  
24 offer, for consideration, any form of Internet poker game  
25 independent of that network.

26 (e) A person desiring to play intrastate Internet poker shall  
27 register with the licensed entity by presenting documentation, upon  
28 logging on to the licensed entity's intrastate Internet poker Web  
29 site, that the person is at least 21 years of age and is physically  
30 present within the state. After verifying the validity of the proffered  
31 documentation and confirming the person's physical presence  
32 within this state, the person may be permitted to play any intrastate  
33 Internet poker game provided by the licensed entity, subject to the  
34 licensed entity's right to exclude from participation in intrastate  
35 Internet poker games any person reasonably determined to be  
36 unsuitable to participate in those games, or whose participation  
37 would be contrary to requests concerning self-exclusion or limits  
38 on losses, amounts wagered, or playing time.

39 (f) The licensed entity's intrastate Internet poker Web site shall  
40 use the services of an independent third party licensed by the

1 department to perform identification, physical presence in the state,  
2 and age verification services for persons registering to play  
3 intrastate Internet poker games.

4 (g) The licensed entity's intrastate Internet poker Web site shall  
5 use personal identification numbers and other technology so that  
6 only the registered person has access to his or her wagering  
7 account, and that games can be played only from within the  
8 geographical borders of the state.

9 (h) The licensed entity shall provide for withdrawals from the  
10 wagering account only by check, made payable to the account  
11 holder and sent to the address of the account holder in the state,  
12 or by an electronic transfer to an account held by the verified  
13 account holder at a financial institution located within the state.  
14 The account holder also may withdraw funds from the wagering  
15 account at a licensed gambling establishment or tribal gaming  
16 facility participating in the licensed entity by presenting valid  
17 identification and verifiable personal and account information.

18 (i) The licensed entity's intrastate Internet poker Web site shall  
19 provide information on problem gambling, including a problem  
20 gambling hotline telephone number that a person may call to seek  
21 information and assistance for a potential gambling addiction, and  
22 shall offer responsible gambling services, such as self-exclusion,  
23 limits on losses, amounts wagered, and playing time, and other  
24 services as the department reasonably may determine are  
25 appropriate.

26 (j) The licensed entity shall allow the department access to its  
27 operating premises at any time and without notice to visit,  
28 investigate, and place expert accountants and other persons it deems  
29 necessary to ensure strict compliance with its regulations  
30 concerning game integrity, credit authorization, account access,  
31 and other security provisions, if those activities do not interfere  
32 with the normal lawful functioning of the licensed entity's  
33 operations.

34 (k) The licensed entity shall offer, at the time of registration,  
35 the option to place a limitation on the amount of funds that may  
36 be transferred into a wagering account within any 24-hour period.  
37 The licensed entity shall adopt procedures to ensure that the player  
38 may not deposit more funds into the account than the amount  
39 specified. If, after the wagering account is opened, a person wishes  
40 to increase the amount of funds that may be transferred, the



1 licensed entity may increase the amount after obtaining and  
2 verifying the validity of identification and personal information.  
3 However, that increase shall not be effective until at least 48 hours  
4 after the change is requested.

5 (l) The licensed entity shall conduct intrastate Internet poker  
6 games in the same manner as those games are conducted in licensed  
7 gambling establishments or tribally owned gaming facilities in the  
8 state, except that the games shall be played with computers, rather  
9 than with tangible cards and chips, and the virtual cards shall be  
10 shuffled and dealt by the licensed entity's computer system, rather  
11 than by a natural person. Only nonbanked, nonpercentage poker  
12 games approved for play within the state by the department may  
13 be offered for play on the licensed entity's intrastate Internet Web  
14 site. The licensed entity's intrastate Internet Web site may collect  
15 fees from players in authorized poker games pursuant to the same  
16 player fee collection methods approved by the department under  
17 state law for use within nontribal licensed gambling establishments  
18 in California.

19 (m) The department shall assess fees on the licensed entity in  
20 the amount reasonably necessary to reimburse the department for  
21 its costs in implementing and administering this chapter, protecting  
22 that gaming from criminal influences, and protecting the public  
23 health, welfare, and safety of the people of California.

24 19993. After the regulations required by subdivision (a) of  
25 Section 19992 are adopted pursuant to the Administrative  
26 Procedure Act (Chapter 3.5 (commencing with Section 11340) of  
27 Part 1 of Division 3 of Title 2 of the Government Code), an entity  
28 seeking to be licensed to offer intrastate Internet poker games shall  
29 apply to the department for licensure to engage in that activity.  
30 The department shall charge the entity a registration fee sufficient  
31 to cover all costs associated with the issuance of the license,  
32 including any necessary background investigation.

33 19994. In addition to any licensing or other administrative fees  
34 that the department may assess as reimbursement for the costs of  
35 implementing this chapter, the licensed entity shall pay to the state  
36 a license fee equal to \_\_\_\_ percent of the fees collected by the  
37 licensed entity from players participating in poker games conducted  
38 on its Internet Web site.

39 19995. In the event that any federal statute now in effect or  
40 hereafter enacted either affirmatively authorizes, or repeals existing

1 prohibitions against, the interstate or international play on the  
2 Internet of house-banked or percentage games of chance, or games  
3 such as poker in which there is an element of chance but a player's  
4 skill predominates over the element of chance in determining the  
5 outcome of the game, and the federal statute allows a state to be  
6 excluded from application of that statute, the Governor and the  
7 Legislature shall take any action necessary to opt out of the  
8 application of that statute to persons physically present within the  
9 geographical borders of the state.

10 19996. Nothing in this chapter shall be interpreted to authorize  
11 the play of intrastate Internet poker in a manner that circumvents  
12 the limitation on gambling establishments, or the limitation on  
13 gambling tables, pursuant to Chapter 5 (commencing with Section  
14 19800), and related state and local laws.

15 19997. If a court of competent jurisdiction determines that the  
16 enactment or implementation of this chapter entitles any California  
17 Indian tribe that is a party to a class III tribal-state gaming compact  
18 with the state to terminate or reduce payments to the Indian Gaming  
19 Revenue Sharing Trust Fund required by the compact on the ground  
20 that the state has breached the compact by enacting or  
21 implementing this chapter, all funds then on deposit in the Indian  
22 Gaming Revenue Trust Fund shall continue to be distributed  
23 quarterly in equal shares to all federally recognized California  
24 Indian tribes entitled to receive disbursements from the fund until  
25 all funds on deposit in the fund have been disbursed.

26 19998. (a) The state's percentage of player fees collected by  
27 the licensed entity, and any other fees paid by the licensed entity,  
28 shall be remitted to the Controller for deposit in the Internet  
29 Gambling Fund, which is hereby created in the State Treasury.  
30 The fund shall be administered by the Controller for the purposes  
31 of this chapter, subject to annual appropriation by the Legislature.

32 (b) On or before March 31 of each year, each state agency with  
33 responsibilities imposed under this chapter shall submit a revenue  
34 needs request to fulfill those duties for the next fiscal year to the  
35 Senate Committee on Budget and Fiscal Review, the Assembly  
36 Committee on Budget, the Senate and Assembly Committees on  
37 Governmental Organization, and the Department of Finance. Each  
38 submission of revenue needs shall specify the justification for  
39 those costs.

1 (c) On or before March 31 of each year, the State Department  
2 of Alcohol and Drug Programs, Office of Problem Gambling shall  
3 submit a revenue needs request for programs to address problem  
4 gambling that results from the offering of authorized games for  
5 the next fiscal year to the Senate Committee on Budget and Fiscal  
6 Review, the Assembly Committee on Budget, the Senate and  
7 Assembly Committees on Governmental Organization, the Senate  
8 and Assembly Committees on Human Services, and the Department  
9 of Finance. Each submission of revenue needs shall specify the  
10 justification for those costs.

11 (d) All remaining proceeds not allocated pursuant to subdivisions  
12 (b) and (c) shall remain in the Internet Gambling Fund, subject to  
13 appropriation by the Legislature for purposes related to this chapter.

14 1999. A city, county, or city and county shall not regulate,  
15 tax, or enter into a contract with respect to any matter related to  
16 this chapter.

17 SEC. 3. Section 330b of the Penal Code is amended to read:

18 330b. (a) It is unlawful for any person to manufacture, repair,  
19 own, store, possess, sell, rent, lease, let on shares, lend or give  
20 away, transport, or expose for sale or lease, or to offer to repair,  
21 sell, rent, lease, let on shares, lend or give away, or permit the  
22 operation, placement, maintenance, or keeping of, in any place,  
23 room, space, or building owned, leased, or occupied, managed, or  
24 controlled by that person, any slot machine or device, as defined  
25 in this section.

26 It is unlawful for any person to make or to permit the making of  
27 an agreement with another person regarding any slot machine or  
28 device, by which the user of the slot machine or device, as a result  
29 of the element of hazard or chance or other unpredictable outcome,  
30 may become entitled to receive money, credit, allowance, or other  
31 thing of value or additional chance or right to use the slot machine  
32 or device, or to receive any check, slug, token, or memorandum  
33 entitling the holder to receive money, credit, allowance, or other  
34 thing of value.

35 (b) The limitations of subdivision (a), insofar as they relate to  
36 owning, storing, possessing, or transporting any slot machine or  
37 device, do not apply to any slot machine or device located upon  
38 or being transported by any vessel regularly operated and engaged  
39 in interstate or foreign commerce, so long as the slot machine or  
40 device is located in a locked compartment of the vessel, is not

1 accessible for use, and is not used or operated within the territorial  
2 jurisdiction of this state.

3 (c) The limitations of subdivision (a) do not apply to a  
4 manufacturer's business activities that are conducted in accordance  
5 with the terms of a license issued by a tribal gaming agency  
6 pursuant to the tribal-state gaming compacts entered into in  
7 accordance with the Indian Gaming Regulatory Act (18 U.S.C.  
8 Sec. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.).

9 (d) For purposes of this section, "slot machine or device" means  
10 a machine, apparatus, or device that is adapted, or may readily be  
11 converted, for use in a way that, as a result of the insertion of any  
12 piece of money or coin or other object, or by any other means, the  
13 machine or device is caused to operate or may be operated, and  
14 by reason of any element of hazard or chance or of other outcome  
15 of operation unpredictable by him or her, the user may receive or  
16 become entitled to receive any piece of money, credit, allowance,  
17 or thing of value, or additional chance or right to use the slot  
18 machine or device, or any check, slug, token, or memorandum,  
19 whether of value or otherwise, which may be exchanged for any  
20 money, credit, allowance, or thing of value, or which may be given  
21 in trade, irrespective of whether it may, apart from any element of  
22 hazard or chance or unpredictable outcome of operation, also sell,  
23 deliver, or present some merchandise, indication of weight,  
24 entertainment, or other thing of value.

25 (e) ~~Every~~ Any person who violates this section is guilty of a  
26 misdemeanor.

27 (1) A first violation of this section shall be punishable by a fine  
28 of not less than five hundred dollars (\$500) nor more than one  
29 thousand dollars (\$1,000), or by imprisonment in a county jail not  
30 exceeding six months, or by both that fine and imprisonment.

31 (2) A second offense shall be punishable by a fine of not less  
32 than one thousand dollars (\$1,000) nor more than ten thousand  
33 dollars (\$10,000), or by imprisonment in a county jail not  
34 exceeding six months, or by both that fine and imprisonment.

35 (3) A third or subsequent offense shall be punishable by a fine  
36 of not less than ten thousand dollars (\$10,000) nor more than  
37 twenty-five thousand dollars (\$25,000), or by imprisonment in a  
38 county jail not exceeding one year, or by both that fine and  
39 imprisonment.

1 (4) If the offense involved more than one machine or more than  
2 one location, an additional fine of not less than one thousand dollars  
3 (\$1,000) nor more than five thousand dollars (\$5,000) shall be  
4 imposed per machine and per location.

5 (f) Pinball and other amusement machines or devices, which  
6 are predominantly games of skill, whether affording the opportunity  
7 of additional chances or free plays or not, are not included within  
8 the term slot machine or device, as defined in this section.

9 (g) *Personal, networked, or server computers are not included*  
10 *within the term “slot machine or device,” as defined in this section*  
11 *or Section 330.1, or as used in subdivision (f) of Section 19 of*  
12 *Article IV of the California Constitution or Section 330a of this*  
13 *code, if operated pursuant to a license or permit in compliance*  
14 *with Chapter 5.2 (commencing with Section 19990) of Division 8*  
15 *of the Business and Professions Code, solely for the purpose of,*  
16 *or in connection with, allowing participation in nonbanked,*  
17 *nonpercentage poker games authorized and regulated pursuant*  
18 *to Chapter 5.2 (commencing with Section 19990) of Division 8 of*  
19 *the Business and Professions Code, and not for the purpose of*  
20 *participating in any other form of gaming activity.*

21 SEC. 4. No reimbursement is required by this act pursuant to  
22 Section 6 of Article XIII B of the California Constitution because  
23 the only costs that may be incurred by a local agency or school  
24 district will be incurred because this act creates a new crime or  
25 infraction, eliminates a crime or infraction, or changes the penalty  
26 for a crime or infraction, within the meaning of Section 17556 of  
27 the Government Code, or changes the definition of a crime within  
28 the meaning of Section 6 of Article XIII B of the California  
29 Constitution.