

Assembly Bill No. 1417

Passed the Assembly July 15, 1999

Chief Clerk of the Assembly

Passed the Senate July 15, 1999

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 1999, at _____ o'clock ____M.

Private Secretary of the Governor



CHAPTER _____

An act to add Section 19834.7 to the Business and Professions Code, relating to gambling establishments, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1417, Wesson. Gambling establishments.

(1) Existing law provides that every person who deals, plays, or carries on, opens, or causes to be opened, or who conducts, either as owner or employer, whether for hire or not, any of a list of specified gambling games or any banking or percentage game played with cards, dice, or any device, for money, checks, credit, or any representative of value, and any person who plays or bets at or against such a game, is guilty of a misdemeanor and punishable, as specified.

Existing law, the Gambling Control Act, provides that the Gambling Control Commission shall not prohibit any game or restrict the manner in which a game is played unless it finds in a proceeding that the game, or the manner in which the game is played, violates federal, state, or local law.

This bill would provide that, notwithstanding these provisions, no licensee shall conduct, operate, or offer any banking game or allow such a game to be conducted on the premises of any gambling establishment. The bill would provide that for purposes of this provision, a banking game is any wagering game where the house or gambling establishment is a participant in the game with an interest in the outcome of any wager, and covers all bets made in the game, paying all winners and collecting from all losers. The bill would also provide that with respect to licensed gambling establishments only, a game is not a banking game merely because the rules allow one player, who does not represent the interest of the house, to act as a bank, provided that this position is offered to all the players at the table after every 5 hands. The bill



would provide that these provisions shall not be construed to allow the house to bank any game.

(2) Existing case law provides that a card game is an illegal banking game if, under the rules of the game, it is possible that the house, another entity, a player, or an observer can maintain a bank or operate as a bank during the play of the game.

This bill would declare the Legislature's intent to modify the holdings of 2 specified appellate court decisions as to what constitutes a "banking game," but only with regard to controlled games conducted within licensed gambling establishments.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 19834.7 is added to the Business and Professions Code, to read:

19834.7. (a) It is the intent of the Legislature that this section shall be dispositive of the law regarding the operation of player banks in licensed gambling establishments in California.

(b) Notwithstanding Section 330 of the Penal Code or Section 19834.5A, no person or entity licensed pursuant to this chapter shall conduct, operate, or offer any banking game, or allow such a game to be conducted on the premises of any gambling establishment.

(c) (1) A banking game is any wagering game where the house or gambling establishment is (A) a participant in the game, with an interest in the outcome of any wager, and (B) covers all bets made in the game, paying all winners and collecting from all losers.

(2) With respect to licensed gambling establishments only, a game is not a banking game merely because the rules of the game allow a player, who does not represent the interest of the house, to act as a bank, provided that this position is offered to all the players at the table after every five hands. This section shall not be construed to allow the house to bank any game.



SEC. 2. The Legislature finds and declares that Section 1 of this act is intended to modify the respective holdings of *Oliver v. County of Los Angeles* (1998) 66 Cal.App.4th 1397 and *Kelley v. First Astri Corp.* (1999) 72 Cal.App.4th 462, as to what constitutes a “banking game,” but only with respect to controlled games conducted within licensed gambling establishments.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Recent decisions by the courts of appeal of this state in the cases of *Oliver v. County of Los Angeles* (1998) 66 Cal.App.4th 1397 and *Kelley v. First Astri Corp.* (1999) 72 Cal.App.4th 462 have caused confusion with regard to the status of the law concerning the operation of player banks in licensed gambling establishments in California. It is necessary that the law be clarified as soon as possible in order to provide reasonable enforcement guidelines to the Division of Gambling Control and local law enforcement. Therefore, in order to ensure, at the earliest possible time, that licensed gambling establishments are able to operate within the law and that local law enforcement and the division are able to adequately enforce the law, it is necessary that this act take effect immediately.



Approved _____, 1999

Governor

