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CTBA LOBBYIST

Internet Poker Consumer Protection Act of 2016 Moves Forward

After nine years of work on Internet poker in California, we are closer than ever to passing a bill to authorize real-money Internet poker. The 55-page bill passed the Assembly Governmental Organizational Committee on April 27 by a 19-0 vote. This is the first time a substantive bill has moved in California and provided a huge win for our coalition members.

The bill would require the first \$60 million collected each fiscal year to be deposited into the California Horse Racing Internet Poker Account to continuously appropriate 95% of the funds in the account to the California Horse Racing Board for distribution as specified. It would transfer 5% of those funds to the Fair and Exposition Fund. The annual payment is intended to compensate the racing industry for giving up our ability to obtain a separate license and end the long stalemate between racing and a coalition of tribes who oppose a racing license. The distributions from the

fund will be statutorily limited to purses, owner and breeder incentive awards, and fairs and racing associations conducting live racing. The fund would also contribute to jockey retirement plans and a pari-mutuel employee pension plan.

We are very appreciative of Chairman Adam Gray for his incredible efforts to move I-poker forward and for demanding the \$60 million for racing. He has made it very clear that the number is not negotiable, despite intense pleas that the annual payment is too much. It cannot be stated enough how much CTBA appreciates Chairman Gray, Vice Chair Frank Bigelow, Reggie Jones Sawyer, and the members of the committee who have refused to vote for an I-poker bill unless it included meaningful benefits for racing. In my 17 years of lobbying, this has been one of the most difficult issues ever before the legislature.

The bill will also provide Californians with much-needed protections not currently provided by the illegal sites operating today. California consumers are currently playing I-poker on unsafe, unregulated foreign sites. Passage of this bill will prevent underage gambling by use of sophisticated age-verification methods, ensure the integrity of the games, and protect consumer credit information. The measure will also require the strictest standards and background checks for licensees who offer I-poker.

Ironically, United States Senator Diane Feinstein wrote a letter opposing the legislation the day following the vote in committee and directed her letter to Speaker of the Assembly Anthony Rendon and President Pro Tem of the Senate Kevin De Leon. In her letter, she stated her concerns for young people and criminal activity surrounding online poker. The letter fails to acknowledge that this is one of the most important reasons California



From left, Assemblyman Frank Bigelow, jockey Alex Solis, and Assembly Governmental Organizational Committee Chair Adam Gray

must pass a consumer protection bill to protect players from foreign sites that operate illegally today. It is somewhat amazing that the senator and Sheldon Adelson ignore the importance of regulating what is an unregulated industry.

Racing has safely offered online wagering for 15 years, assuring that hundreds of thousands of Californians can wager through a state-licensed and -regulated ADW operator. ADWs have successfully verified age and identity, limited deposits, employed anti-money laundering provisions, and created responsible gambling programs. The proven success of our ADWs should serve as the model for protecting consumers wishing to play I-poker.

The bill still has to pass the full Assembly and the Senate before being signed by Gov. Jerry Brown. We urge CTBA members to call your legislator today and ask for their support of AB 2863 to protect the 50,000 people employed by the racing industry and to protect California consumers. **CTB**



ROBYN BLACK PHOTOS

Mike Pegram of the Thoroughbred Owners of California, Senator Isadore Hall (Senate GO chair), and Solis