

*****NCLGS LEGISLATIVE ALERT*****

DATE: OCTOBER 3, 2008
TO: NCLGS LEGISLATORS
FROM: SUSAN NOLAN
NCLGS EXECUTIVE DIRECTOR
RE: **U.S. SENATOR MENENDEZ INTRODUCES INTERNET GAMING BILL**

Attached are articles from the perspective of a Las Vegas publication and a pro Internet gambling group.

- Senate Bill Calls for Regulating, Not Banning, Online Poker (10/1 Review-Journal)
- Poker Players Alliance Supporting Latest "Skill Game" Legislation (10/1 Bluff Magazine)

Congressman Robert Menendez (D-NJ) introduced S. 3616, *Internet Skill Game Licensing and Control Act*, last Friday, September 26 to license and regulate skill games, such as poker, and help clarify the *Unlawful Internet Gambling Enforcement Act of 2006* (UIGEA). The bill marks the first piece of Senate legislation to question UIGEA and will be debated by the U.S. Senate Committee on Banking, Housing, and Urban Affairs.

The bill has not been received by the Government Printing Office, but sources claim S. 3616 would:

- remove rules calling for banking enforcement
- issue licensee guidelines
- mandate protections for underage and compulsive gambling
- prevent consumer fraud and other such abuses
- safeguard against money laundering
- provide for effective taxation

S. 3616 comes two week after the U.S. House Financial Services voted 30-19 to pass H.R. 6870, Payment System Protection Act of 2008, which would require the Department of the Treasury and the Federal Reserve to consult with the U.S. Attorney General in developing a definition for unlawful Internet gambling before issuing guidelines to implement UIGEA.

BACKGROUND

The UIGEA prohibits U.S. banks, as well as credit card and other financial instrument companies, from processing payments to offshore online gambling businesses. Department of the Treasury and Federal Reserve joint proposed rules, as required by Congress, to implement the provisions of UIGEA, have been claimed by many to be vague, costly, burdensome, and ineffective.

NCLGS FOCUS

NCLGS will discuss Internet gaming and the recent congressional action at its State-Federal Relations Committee on Friday, January 9, The events will be held in conjunction with the NCLGS Winter Meeting scheduled for January 9 through 11, 2009, in Scottsdale, Arizona.

NCLGS historically has viewed the Internet gaming issue from a consumer protection and states' rights perspective—that states have the authority to decide the forms of gaming within their borders and to oversee the regulation and taxation of that gaming in order to protect their constituents and economies.