

CHAPTER 199
FORMERLY
SENATE BILL NO. 135
AS AMENDED BY
SENATE AMENDMENT NO. 1

AN ACT TO AMEND TITLE 28 OF THE DELAWARE CODE RELATING TO CHARITABLE GAMING.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Three-fifths of all members elected to each house thereof concurring therein):

Section 1. The General Assembly finds that the control of charitable gaming has been entrusted to the current Board of Charitable Gaming for many years and following a review of the Board by the General Assembly's Sunset Committee, the General Assembly finds that certain amendments to the laws governing the Board should be adopted. Among other changes, the General Assembly believes that the laws governing the Board should be placed in one chapter of the Delaware Code, rather than three chapters as is currently the case.

Section 2. Amend Title 28 of the Delaware Code by deleting Chapter 11 in its entirety.

Section 3. Amend Title 28 of the Delaware Code by deleting Chapter 18 in its entirety.

Section 4. Amend Title 28 of the Delaware Code by deleting Chapter 15 in its entirety and substituting in lieu thereof a new Chapter 15 as shown by underlining as follows:

CHAPTER 15. DELAWARE BOARD OF CHARITABLE GAMING

§ 1501. Objectives; functions.

(a) The primary objective of the Delaware Board of Charitable Gaming, to which all other objectives and purposes are secondary, is to protect the public through the regulation of activities which involve charitable gaming.

(b) In meeting its objectives, the Board shall develop standards assuring professional competence; shall monitor complaints from the general public relating to practices of persons engaged in an activity regulated by this chapter; shall adjudicate at formal complaint hearings; shall develop rules and regulations; and shall impose sanctions where necessary against persons or occupational groups regulated by the Board.

(c) The State Lottery Office shall transfer appropriate funds to cover the cost to allow the Division of Professional Regulation to hire contractual investigators to conduct inspections and investigations. The State Lottery Office and the Division of Professional Regulation shall mutually agree upon the use of these funds for the hiring of contractual investigators.

(d) The Division of Professional Regulation shall be responsible for the administrative, ministerial, budgetary, clerical and exclusive investigative functions (including but not limited to the appointment, removal, compensation and duties of employees) as provided by law for the Board of Charitable Gaming.

(e) Notwithstanding any provision to the contrary, this Chapter is not intended to apply and does not apply to the use of charitable video lottery machines pursuant to Chapter 48, Title 29.

§ 1502. Members; Chair; meetings; quorum; records; conflict of interest.

(a) Composition; Chair. -- The Delaware Board of Charitable Gaming shall be composed of 5 members. Membership of the Board shall include:

(1) The Director of the State Lottery Office or an employee of the State Lottery Office, who shall have work related knowledge and experience in matters of gambling, and shall be appointed by and serve at the pleasure of the Governor;

(2) One member of a non-profit/charitable organization;

(3) One member active and in good standing from the Delaware Volunteer Firefighter's Association;
and

(4) Two members of the public.

The Board shall annually elect a Chair from among its membership.

(b) Qualifications. -- No member of the Board of Charitable Gaming, while serving on the Board of Charitable Gaming, shall be an elected officer of any national, state or local professional or non-profit organization that qualifies them for appointment to the Board of Charitable Gaming.

(c) Appointment; term of office:.

(1) Members listed in subsections (a)(2) thru (a)(4) shall be appointed by the Governor with the consent of a majority of all members elected to the Senate.

(2) All Board vacancies shall be filled with members of the same qualifications required for the original appointment.

(3) Members listed in subsections (a)(2) thru (a)(4) may serve 2 consecutive terms.

(4) Members listed in subsections (a)(2) thru (a)(4) shall serve a term of 5 years and may be reappointed for 1 additional term.

(5) The term of an appointed member shall expire on the date specified in the appointment; however, the Board member shall remain eligible to participate in Board proceedings unless and until replaced by the Governor.

(6) The Chair shall serve in that office for 1 year, and is eligible to succeed himself or herself for an additional year.

(d) Suspension or removal. -- A member of the Board shall may be suspended or removed by the Governor for misfeasance, nonfeasance or malfeasance. A member subject to disciplinary proceedings shall be disqualified from Board business until the charge is adjudicated or otherwise concluded. A Board member may appeal any suspension or removal to the Superior Court.

(e) Compensation. -- Each member of the Board shall receive compensation at the rate of \$100 per meeting if that member attends; provided, however, that no member shall receive compensation for the year in excess of \$1,500 and the Board shall not be paid for more than 15 meetings during a calendar year.

(f) Meetings; quorum. --

(1) The Board shall hold a regularly scheduled business meeting monthly and at such other times as the Chair deems necessary, or at the request of a majority of Board members.

(2) Advance notice of any special meeting shall be given to all members.

(3) A majority of members shall constitute a quorum.

(4) Any member who fails to attend 3 consecutive meetings, or who fails to attend at least half of all regular meetings during any calendar year, shall automatically upon such occurrence be deemed to have resigned from office.

(g) Records. -- Minutes of all meetings shall be recorded and copies of the record shall be maintained by the Division of Professional Regulation. All matters relating to a hearing held pursuant to statute shall be recorded and transcribed by the Division.

(h) Conflict of interest. -- The provisions set forth for "employees" in § 5801 et seq. of Title 29 shall apply to all members of the Board, and to all agents and other persons appointed by or otherwise employed by the Board.

§ 1503. Powers and duties.

The Board of Charitable Gaming shall have the power to consider and grant or deny applications, conduct investigations through the Division of Professional Regulation, impose penalties upon those not in compliance with the law or regulations, develop rules and regulations and enforce the provisions of this chapter.

Subchapter I. Purpose, Scope, Definitions and Referendums

§ 1504. Purpose and scope.

This chapter shall provide for referendums on games and the regulation and control of games, provided that the district in which it is conducted votes in favor of such games. Games shall be conducted in Delaware only by those licensed under this chapter and subject to the limitations herein.

§ 1505. Definitions.

As used in this chapter:

(1) "Board" means the Delaware Board of Charitable Gaming;

(2) "Districts" means those districts mentioned in article II, § 17A or § 17B of the state Constitution;

(3) "Game or games" means bingo, instant bingo, and charitable gaming;

(4) "Organization" means a veterans', religious or charitable organization, volunteer fire company or fraternal society as defined in article II, § 17A or § 17B of the state Constitution.

§ 1506. Referendums in general elections.

In the event that a majority of all the members elected to each house of the General Assembly by the qualified electors in any district mentioned in article II, § 17A or § 17B of the state Constitution shall request in writing to the Speaker of the House of Representatives and to the President of the Senate, not less than 30 days preceding the next succeeding general election, that the question of license or no license of the playing of the game of bingo be submitted to a vote of the qualified electors of said district, the department of elections with jurisdiction over the district concerned shall cause to be printed on the ballots used in the next succeeding general election after said request the following question:

"Do you favor the licensing of the playing of the game of bingo within the limits of (insert the words, "City of Wilmington," "Sussex County," "Kent County" or "New Castle County outside of the City of Wilmington," as the case may be)?"

§ 1507. Applicability of general election laws; conduct of referendum.

(a) Title 15, insofar as it is applicable shall apply to all referendums held under the provisions of this chapter. A voter may indicate that voter's answer to the question submitted by voting in the affirmative or negative.

(b) Each department of elections shall take steps to insure that the equipment and supplies used at the general election are adjusted and modified to the extent necessary to permit the recording, tabulation and certification of the referendum vote.

(c) The department of elections of each county shall constitute a board of canvass for the purpose of canvassing the vote in any referendum held under this chapter.

(d) The provisions of Title 15 and the Constitution of this State relating to the certification and canvassing of the vote in general elections shall be followed insofar as those provisions are applicable.

(e) The Governor shall certify and proclaim the results of any such referendum at the time he certifies and proclaims the results of the general election pursuant to the provision of § 5710 of Title 15.

(f) The State Election Commissioner is empowered to prescribe such procedure and to make such rules and regulations, not inconsistent with this section or any other law of this State, as the State Election Commissioner may deem necessary to insure uniformity of method in the 3 counties in certifying and canvassing the vote in any referendum held under this chapter.

Subchapter II. Delaware Board of Charitable Gaming

§ 1508. Duties; rules and regulations; forms.

(a) The Board shall:

(1) Supervise the administration of this chapter, and

(2) Adopt, amend and repeal rules and regulations governing the issuance and amendment of permits and licenses to conduct the games under such permits and licenses and schedules of rentals which may be paid for the leasing of equipment for use in connection with the games. The rules and regulations shall have the force of law and shall be adopted only after public hearings in accordance with the Administrative Procedures Act, Chapter 101 of Title 29. Such permits and licenses shall be issued to qualified volunteer fire companies, veterans' organizations, religious or charitable organizations, or fraternal societies. The Board shall also take measures to assure that games shall be fairly and properly conducted for the purposes and in the manner prescribed in the state Constitution and in this chapter. The Board shall prevent the game from being conducted for commercial purposes or private profit other than as authorized in the state Constitution and in this chapter. In order to provide uniformity in the administration of this chapter the Board shall prescribe forms of application for permits and licenses, amendment of permits and licenses, reports of the conduct of games and other matters incident to the administration of this chapter.

(b) A copy of the rules and regulations adopted by the Board shall be available at a reasonable cost.

§ 1509. Continuous study of operation of this chapter and similar laws.

(a) The Board shall conduct a continuous study and investigation of the operation of this chapter for the purpose of making recommendations to the General Assembly for amendments.

(b) The Board shall make a continuous study and investigation also of the operation and administration of similar laws which may be in effect in other states of the United States and of any literature on the subject which from time to time may be published or be available.

§ 1510. Reports and recommendations by Board.

The Board shall report to the Governor and the General Assembly biennially with its recommendations, if any, and at such other times as it may deem advisable.

Subchapter III. Licensing

§ 1511. Power to license.

(a) The Board may license an organization as defined in article II, § 17A or § 17B of the state Constitution to conduct the games, provided the organization is located in and seeks to conduct the game in a district which has approved the licensing of games by referendum.

(b) The Board may designate to the Director of the Division of Professional Regulation the authority to issue permits and licenses administratively using specified criteria agreed upon by the Board and the Director.

§ 1512. Application; eligibility.

(a) Each applicant for a permit or license shall file with the Board a written application in the form prescribed in its rules and regulations, duly executed and notarized, in which shall be stated the name and address of the applicant together with sufficient facts relating to its organization to enable the Board to determine whether or not it is a bona fide organization eligible to conduct games within the meaning of article II, § 17A or § 17B of the state Constitution. The applicant shall supply such other facts as the Board may require.

(b) In each application there shall be designated the active member or members of the organization under whom the games are to be conducted. To the application shall be appended a statement by the applicant to indicate that if a permit or license is granted the undersigned will be responsible for the conduct of such game in accordance with the terms of this chapter, the permit or license and the rules and regulations governing the conduct of such games.

(c) Proof that contributions are considered tax deductible under § 170 of the Internal Revenue Code of the United States [26 U.S.C. § 170] shall be prima facie evidence that the applicant is an eligible organization within the meaning of article II, § 17A or § 17B of the state Constitution, but the Board may require any additional information from the applicant which may be pertinent to the question of its eligibility.

§ 1513. Conditions for granting permits or licenses.

(a) The Board or its designee shall make a review of the qualifications of each applicant and the merits of each application.

(b) The Board or its designee may issue a permit or license only after it determines that:

(1) The applicant is duly qualified to conduct games under the state Constitution and of this chapter and the rules and regulations governing the conduct of games; and

(2) The persons who intend to conduct the games are persons of good moral character and have never been convicted of crimes or crimes involving moral turpitude; and a bona fide active member shall be on the premises during the conduct of the event; and

(3) Such games are to be conducted in accordance with the provisions of the state Constitution and this chapter and in accordance with the rules and regulations governing the conduct of games; and

(4) The proceeds are to be disposed of as provided in the state Constitution and by this chapter; and

(5) No unreasonable salary, compensation or reward whatever will be paid or given to any member under whom the game is conducted.

§ 1514. License fees; exceptions.

(a) There shall be a permit or license fee of \$15 for each occasion upon which bingo or charitable gambling are to be conducted under such permit or license.

(b) The Board or its designee may issue a permit or license without fee to any bona fide organization eligible to conduct games within the meaning of article II, § 17A or § 17B of the state Constitution, provided such

organization conducts games for recreational purposes, does not intend to make a profit, does not make a profit, does not charge a fee for participation and offers no prize in excess of \$5.00 for any single game.

§ 1515. Duration of permit or license.

(a) No permit or license shall be effective for a period of more than 1 year from the date it was issued.

(b) No license shall be effective after the organization to which it was granted has become ineligible to conduct the game under any provision of article II, § 17A or § 17B of the state Constitution.

(c) No license shall be effective after the voters in any district designated in article II, § 17A or § 17B of the state Constitution have decided against games in a referendum held pursuant to that section and this title.

§ 1516. Refusal to permit or license; hearing.

No properly submitted application for a license shall be refused by the Board or its designee until a hearing is held after proper notice to the applicant. At any such hearing the applicant shall be entitled to be heard upon the qualifications of the applicant and the merits of the application. The burden of proof shall be on the applicant.

§ 1517. Amendments to permits or licenses.

Any permit or license issued under this chapter may be amended by the Board or its designee if the subject matter of the proposed amendment could lawfully and properly have been included in the original license upon application and payment of an additional license fee.

§ 1518. Permits and license provisions; display.

(a) Each permit shall be in the form prescribed in the rules and regulations of the Board and shall contain:

(1) The name and address of the permit holder;

(2) The number of times and the hours during which such games are to be conducted;

(3) The prize or prizes to be offered or given and the maximum wagering limit or limits;

(4) Any other information which may be required by the rules and regulations.

(b) Each permit or license shall be conspicuously displayed at the place where the game is to be conducted for the duration of the event.

§ 1519. Supervision.

(a) The Board shall exercise control and supervision over all games to the end that the games are fairly conducted in accordance with the provisions of the permit or license, the rules and regulations of the Board, the provisions of the state Constitution and of this chapter.

(b) After investigation reveals that a licensee or permittee has committed a violation of this chapter or of the rules of the Delaware Board of Charitable Gaming which the Board believes does not warrant formal action, the Board may endeavor to obtain compliance by a written letter of concern. Such letter shall be provided to the licensee or permittee, shall specify the violation and propose a time for correction of the violation. It may also provide an opportunity for a public hearing at which the Board shall hear and consider any submission relevant to the violation, corrective action, or the time frame for correcting the violation. Receipt of 3 letters of concern within a 1-year period by the same licensee or permittee shall constitute a violation warranting formal action.

(c) The Board, its officers and agents shall have the right of entry at all times into any place where any such game is being conducted or where it is intended that any such game shall be conducted or where any equipment being used or intended to be used in the conduct thereof is found, for the purpose of inspecting the same.

§ 1520. Limitations and regulations under license.

(a) Bingo and charitable games conducted shall not commence prior to 12:00 p.m. The operation of a game shall be limited to 6 consecutive hours, except as permitted by regulation. Instant bingo is permitted during any event sponsored by the entity that is licensed to conduct it, regardless of the day or time. No bingo or charitable gaming may take place after 1:00 a.m.

(b) No person under the age of 18 years shall be permitted in the area where the game is played.

(c) No item of expense shall be incurred or paid in connection with the conduct of the game except such as are bona fide items of a reasonable amount for merchandise furnished or services rendered which are reasonably necessary for the conduct of the game.

§ 1521. Reports after games; records; examinations; applicability.

(a) Within 30 days after the conclusion of any game, the organization which conducted the game and its member or members who were in charge shall furnish to the Board a duly sworn statement showing:

(1) The gross receipts derived from each game;

(2) Each item of expense incurred or paid;

(3) The name and address of each person to whom each such item has been, or is to be paid, with a description of the merchandise purchased or the services rendered therefor;

(4) The net profit derived for each such game;

(5) The general uses to which such net profit has been or is to be applied; and

(6) A list of prizes offered and given, with the respective values thereof.

(b) Each licensee shall maintain the records to substantiate the particulars of the reports.

(c) The Board may examine or cause to be examined the records of any organization to which any license is issued so far as they may relate to any transactions connected with games and examine any manager, officer, director, agent or employee thereof under oath in relation to the conduct of any games.

Subchapter IV. Enforcement

§ 1522. Immunity from arrest for violation of gambling laws; exceptions.

No person:

(1) Lawfully conducting or participating in the conduct of; or

(2) Possessing, selling or in any manner disposing of, any shares, tickets or rights to participate in; or

(3) Permitting the conduct upon any premises owned by the person or it, of any game conducted or under license issued pursuant to this chapter, shall be liable to prosecution or conviction for violation of any of the provisions of the Delaware Code not contained in this chapter pertaining to gambling, but this immunity shall not extend to any person knowingly conducting or participating in any unlicensed game or in any game under any license obtained by any false pretense or statement made in any application for such license or otherwise, or possessing, selling or disposing of shares, tickets or rights to participate in, or permitting the conduct upon any premises owned by the person or it, of any game conducted under any license known to the person or it to have been obtained by any false or fraudulent pretense or statement.

§ 1523. Suspension or revocation of license.

The Board may suspend or revoke licenses, after hearing, for violations of this chapter or for violation of the rules and regulations adopted by the Board. At any hearing to suspend or revoke an otherwise valid license the Board shall have the burden of proving any violation or any other fact which might disqualify an organization holding a license. The Board may impose a fine upon a licensee for violations of the law or regulations of not more than \$1,000 per violation. The Board may impose a fine upon a third-party or charitable gaming vendor for violating or participating in a violation of the law or regulations of not more than \$5,000 per violation. In addition the Board may upon finding a violation of the law or regulations, temporarily or permanently enjoin a third-party or charitable gaming vendor from contracting with or participating with an organization in regard to charitable gambling. The Board may also impose a fine up to \$1,000.00 upon a person or entity holding a gaming event without the proper license or permit.

Subchapter V. Bingo

§ 1524. Definitions.

As used in this chapter:

(1) "Bingo" means a game of chance played for prizes with cards bearing numbers or other designations, 5 or more in 1 line, the holder covering numbers as objects similarly numbered are drawn from a receptacle and the game being won by the person who first covers a previously designated arrangement of numbers on such a card.

(2) "Instant bingo" means any game of chance played with sealed or covered cards which must be opened in some fashion by the holder, such that the cards reveal instantly whether the holder has won a prize. This subdivision includes, but is not limited to, so-called "rip-offs", or "Nevada pull-tabs".

§1525. Prize Limits.

(a) In bingo, no prize will be offered or given in excess of the sum of \$350 in any single game and the aggregate of all prizes offered or given in all of such games conducted on a single occasion shall not exceed the sum or value of \$3000. For purposes of this paragraph, the value of any promotional giveaways, which value shall be no more than \$500 per annum to be distributed at an organizational anniversary date and no more than 3 holiday dates per year, shall not be counted towards the dollar amounts described herein;

(b) A licensed operator of a bingo event may offer inducements, including but not limited to cookie-jar bingo games that do not exceed the amount set by the Board per game per night, free refreshments and free transportation of players to and from bingo events, to attract bingo players to the bingo event; provided, that the total fair market value of inducements is limited to 15% of the total amount of all other prizes offered or given during the bingo event. Any amounts in any cookie-jar bingo games shall not be included in these limitations or in any prize money limitations.

(c) The value of prizes offered shall be prescribed by the rules and regulations of the Board.

§ 1526. Limitations.

(a) The number of games which an applicant may conduct in any 1 calendar month shall be set by the rules and regulations of the Board, provided that no bingo permit holder or licensee issued a permit or license prior to July 14, 1998, shall conduct more than 10 bingo events in any calendar month and no bingo permit holder or licensee issued a permit or license after July 14, 1998, shall conduct more than 1 bingo event per week. For purposes of this subsection, a bingo permit holder or licensee prior to July 14, 1998, whose permit or license lapses for 6 months or more due to nonrenewal or suspension or any other reason shall, upon issuance thereafter, be considered a permit holder or licensee after July 14, 1998.

(b) No games shall be conducted in any room or area where alcoholic beverages are sold or served during the progress of the game.

(c) (1) A permitted or licensed sponsoring organization may charge an admission fee to a game event in any room or area in which a game is to be conducted. The admission fee shall entitle the game player:

a. To a card enabling the player to participate without additional charge in all regular games to be played under license at the event; or

b. To free refreshments. The permitted or licensed sponsoring organization may charge an additional fee to a game player for a single opportunity to participate in a special game to be played under license at the event.

(2) Unless a bingo permit holder or licensee has been issued a permit or license prior to July 14, 1998, only 1 licensed organization may hold bingo games in a licensed organization's building during any given week.

(d) No person under the age of 18 may participate in a bingo game. Persons between the ages of 16 through 18 may conduct or assist in conducting the bingo game and persons over the age of 14 may serve as waiters and waitresses in the handling of food and drinks at an event where a licensee or permittee conducts bingo.

Subchapter VI. Charitable Gaming

§ 1527. Definitions.

As used in this chapter, "Charitable gaming" means any game or scheme operated by an organization which has been in existence 2 years or longer in which chance is the dominant factor in the game, a consideration is paid to play and a prize may be won, excluding slot machines, roulette, craps or baccarat games.

§ 1528. Poker Games.

The Board of Charitable Gaming shall promulgate rules and regulations concerning the game of poker; provided, however, a licensed organization shall not be prohibited from utilizing monitors and/or engaging the use of dealers at any poker game.

§ 1529. Third Party Vendors.

(a) The Board of Charitable Gaming shall have the authority to regulate and license third party or charitable gaming vendors. The Board shall mandate in its regulations that all officers of third party or charitable gaming vendors shall be required to have criminal background checks as a requirement for licensure/permitting.

(b) Sponsoring organizations shall be allowed to use third party or charitable gaming vendors to supply equipment and workers for charitable gambling events permitted under this chapter. Sponsoring organizations shall contract with the third-party or charitable gaming vendors on terms agreed to by the parties. However, no third-party or charitable gaming vendor shall receive compensation based on a percentage of funds received by the sponsoring organization as a result of the event.

(c) Officers of third party or charitable gaming vendors shall complete an application prepared by the Board or by the Division of Professional Regulation seeking a license to operate as a third party or charitable gaming vendor. The license applicant will contact the State Bureau of Identification to make arrangements for fingerprint processing. An applicant must complete a fingerprint card and form with the necessary personal information and sign an Authorization for Release of Information form to release criminal history to the Division of Professional Regulation and the Delaware Board of Charitable Gaming. At the time of processing, the applicant must show proof of official identification to complete the criminal history request. A fee is required to be paid for state and federal processing of fingerprint cards and criminal history records. The fee is set by the State Bureau of Identification, and the applicant is to make that payment directly to that agency. Certified copies of the criminal history record will be forwarded to the Division of Professional Regulation. A report of the applicant's entire federal criminal history record pursuant to the Federal Bureau of Investigation appropriation of Title II of Public Law 92-544 (28 U.S.C. § 534) must be produced. The State Bureau of Identification shall act as the intermediary for the receipt of the federal criminal history record checks performed by the Federal Bureau of Investigation. The State Bureau of Identification shall forward the results of these federal record checks to the attention of the Division of Professional Regulation, along with the results of a report of the individual's entire criminal history record from the State Bureau of Identification or a statement from the State Bureau of Identification that the State Bureau of Identification Central Repository contains no such information relating to that person, in a confidential manner. The Division of Professional Regulation will provide that individual applicant with a copy of the criminal history records. The applicant shall have the opportunity to respond to the Division of Professional Regulation regarding any information obtained prior to a determination of suitability for licensure. Such a response shall be made within 10 days of the person's receipt of the criminal background information from the Division of Professional Regulation.

(d) Investigators assigned to the Division of Professional Regulation will conduct an investigation to determine the suitability of the applicant and provide a recommendation to the Board regarding the suitability of the third party or charitable gaming vendor for licensing. The costs of the investigation shall be borne by the officers of the third party or charitable gaming vendors.

(e) The third party vendor or charitable gaming vendor must demonstrate proof that it possesses a valid business license issued by the State of Delaware.

§ 1530. Limit on Gaming.

In charitable gaming, there shall be no limit on the amount a person may bet and no limit on the amount a person may win, except that no person may lose more than \$150 in a single day.

§ 1531. Game Rules.

(a) Any permitted or licensed game sponsoring organization or organizations shall have discretionary authority to promulgate rules and regulations on the eligibility of persons permitted to participate in the game or games; provided, however, they have been approved by the Board, and further provided, that if approved by the Board, such rules and regulations shall be conspicuously displayed at the main entrance where all patrons can observe same.

(b) The Board may make reasonable rules and regulations with respect to the size of bets and prizes with respect to the conduct of games.

§1532. Alcoholic Beverages.

Alcoholic Beverages shall be allowed to be sold and/or distributed at a charitable gaming event pursuant to the Liquor Control Act.

Subchapter VII. Raffles.

§ 1533. Definitions.

As used in this chapter, "Raffle" means a form of lottery in which a number of persons buy one or more chances attempting to win the same prize. Games such as "Nevada cards" or "pull cards" where the amount of the prize is determined by the contents of the ticket purchased are not raffles.

§ 1534. Time of Raffle.

An organization may conduct a raffle which will not be completed in one night. An organization may sell a chance which is good for an extended period of time with a series of drawings, with a chance to win a prize multiple times during that period, provided all chances are sold before the first drawing. Any such raffle must first be approved by the Board of Charitable Gaming.

§ 1535. Conduct of Raffles.

Raffles shall be conducted in accordance with rules adopted by the Board of Charitable Gaming.

Subchapter VIII. Texas Hold 'em

§ 1536. Legislative intent.

The General Assembly hereby declares that the play of Texas Hold'em Poker for the purpose of raising funds, by certain nonprofit organizations, for the promotion of charitable or civic purposes, is in the public interest. It is hereby declared to be the policy of the General Assembly that all phases of licensing, operation and regulation of Texas Hold'em Poker be strictly controlled, and that all laws and regulations with respect thereto as well as all gaming laws should be strictly construed and rigidly enforced by the Delaware Board of Charitable Gaming, its agents or law enforcement.

§ 1537. Definitions for Texas Hold'em Poker.

The following definitions apply to all the rules of Texas Hold'em Poker:

- (1) "All-in" means a player wagers all of that player's remaining chips to the pot.
- (2) "Ante" means a predetermined contribution to the pot before the first card of the game is dealt.
- (3) "Bet" means a player's wager to the pot on any betting round.
- (4) "Bet or fold" means the requirement that a player place a wager (i.e., bet) or fold that player's hand.
- (5) "Big blind" means the forced bet that is made by the person sitting 2 seats to the left of the button. This is the largest forced bet.
- (6) "Blind" means a required bet made before any cards are dealt.
- (7) "Blind position" means the player to the left of the button.
- (8) "Bookkeeper" or "treasurer" means anyone who receives, collects or counts currency, checks, credit and debit card transactions, prepares banking deposit slips, makes deposits of receipts to a financial institution, posts receipts to a ledger, or reconciles an entity's financial statements.
- (9) "Burn" means to place a card down prior to dealing the flop, turn and river.
- (10) "Button" means an object which is moved clockwise around the table to denote an imaginary dealer.
- (11) "Buy-in" means a purchase of chips by a player prior to play.
- (12) "Call" means a bet made equal in amount to the immediately preceding bet.
- (13) "Check" means to waive the right to initiate the betting in a round, but to retain the right to call or raise.
- (14) "Check and raise" means a raise after a player first checked in a round.
- (15) "Chips" means small tokens or disks used to place bets.
- (16) "Community cards" means cards dealt or turned face upward which can be used by all players with a live hand to make their best hand.
- (17) "Deal" means the distribution of playing cards among the players.
- (18) "Dealer" means the person at each table who deals, burns, shuffles and cuts the cards or operates the shuffling device.
- (19) "Defective deck" means a deck that is found to have other than the proper cards or number of cards for the game being played or is otherwise found to have a card that is taped, cut, shaved, marked, defaced, bent, crimped or deformed.
- (20) "Flop" means the first 3 community cards dealt or turned face up at one time.

(21) "Fold" means to discard a hand, forfeiting claim to the pot.

(22) "Hand" means, 1 deal, the cards held by a player, or the best cards a player is holding.

(23) "House rules" means the sponsoring organization set of rules, consistent with this title, governing the operation of the Texas Hold'em Poker tournament.

(24) "Misdeal" means to deal a hand of poker incorrectly.

(25) "Muck" means discards, burn cards and cards from the unused remainder of the deck of cards.

(26) "Opener" means the player who makes the first bet in any round.

(27) "Pot" means the total amount anted and bet by players during a game which is awarded to the winning player or players.

(28) "Re-buy" (also known as an "add-on") means when a player is allowed to purchase additional chips at a predetermined fee.

(29) "Round" means a cycle of bets made by the players following the deal of the cards.

(30) "Showdown" means the revealing of each player's hand after the last bet to determine the winner or winners of the pot.

(31) "Shuffling device" means a device which shuffles the cards.

(32) "Sit and go" means a single table game comprised of individuals who lost in the multi-table tournament.

(33) "Small blind" means the forced bet that is made by the person sitting 1 seat to the left of the button. This bet is half the size of the big blind.

(34) "Sponsoring organization" means any veterans', religious or charitable organization, volunteer fire company or fraternal society as defined in § 17B, article II of the Constitution of this State.

(35) "Stake" means the funds with which a player enters the game.

(36) "Third party vendor" or "charitable gaming vendor" means a company or business that contracts with the sponsoring organization to provide the necessary services and/or equipment to conduct a Texas Hold'em Poker tournament.

(37) "Tournament" means a contest involving a number of contestants who compete in a series of elimination Texas Hold'em Poker games.

§ 1538. Who may conduct Texas Hold'em Poker tournaments; control and supervision.

(a) The game of Texas Hold'em Poker shall be conducted only by sponsoring organizations and shall be permitted and conducted according to the rules contained in this chapter and any regulations regarding the permitting of the sponsoring organization. A Texas Hold'em Poker tournament may be conducted by only one sponsoring organization; no 2 or more sponsoring organizations may jointly conduct a single tournament. No more than 1 tournament may be conducted at the same facility within the same day.

(b) The rules contained in this chapter shall be followed by sponsoring organizations, licensed third party vendors and by all persons participating in any game of Texas Hold'em Poker.

(c) The Delaware Board of Charitable Gaming shall supervise the administration of this chapter. There shall be a permit fee of \$250 for each occasion upon which the sponsoring organization wishes to conduct a Texas Hold'em Poker tournament under a permit. The Board shall also take measures to assure that a Texas Hold'em Poker tournament shall be fairly and properly conducted for the purposes and in the manner prescribed in the state Constitution and in this chapter. The Board shall prevent a Texas Hold'em Poker tournament from being conducted for commercial purposes or private profit other than as authorized in the state Constitution and in this chapter. In order to provide uniformity in the administration of this chapter, the Board shall prescribe forms of application for permits, establishment of fees, amendment of permits, reports of the conduct of Texas Hold'em Poker tournaments and other matters incident to the administration of this chapter.

§ 1539. Texas Hold'em Poker tournament rules.

(a) Deal. --

(1) When a table is opened for play, the deck of cards in a game of Texas Hold'em Poker must be verified by the dealer as 1 new sealed complete standard deck of 52 cards. The design on the backs of the cards in

the deck must be identical, and no card may contain any marking, symbol, or design that enables a player to know the identity of any element printed on the face of the card. The backs of the cards may contain a logo. The backs of the cards in the deck must be designed to eliminate the ability of any person to place concealed markings on them. No sponsoring organization may use cards that are taped, cut, shaved, marked, defaced, bent, crimped, or deformed. All jokers are to be discarded from the deck of cards.

(2) Texas Hold'em Poker cards are dealt by a dealer on a poker table. The dealer must protect the deck to avoid exposure of the cards (hands). A player bets on the cards (hand) the player holds. All the bets placed by the players are collected together in the center of the table which is known as the pot. There may be a required initial ante and there may be required blind bets by the players. After all the dealing of cards and betting has occurred for a pot and there are 2 or more players still in contention, there is a showdown to determine which player has the best hand. The object of the game is for a player to win the pot either by making a bet no other player is willing to match or by the player having the most valuable hand after all the betting is over. The winning player shall be the player who holds the hand of highest rank.

(3) The dealer shall deal 2 cards to each player, face downward and 1 at a time. The first player to receive a card is the player to the left of the player who has the button. A button shall be moved around the table, clockwise, so that the player who has the button receives the advantage. The last player to receive cards is the player assigned the button. Play must proceed in a clockwise direction with each player's turn following the person on the player's immediate right. After all players have received their 2 cards, there is a betting round. The player to the left of the last blind bettor may call, raise, or fold and each following player may call, raise, or fold in a clockwise order.

(4) The dealer burns the top card of the deck and deals 3 community cards from the deck 1 at a time face downward and turns them face upward all at once in the center of the table. Community cards are common to the hand of every active player in the pot.

(5) After the flop, the betting continues for another round. The first player still in the pot sitting left of the player assigned the button is the first to act and then each player in a clockwise order may act in turn until all bets are equal. Any player may call, check, raise, or fold in accordance with the house rules.

(6) The dealer burns a card and deals a fourth community card, known as the turn card, face upward in the center of the table. Another round occurs. The dealer then burns a card and deals a fifth community card, known as the river card, face upward in the center of the table for the final round.

(7) After all bets are made and if there are 2 or more players remaining in the game, there is a showdown and in Texas Hold'em Poker, the best qualifying high hand wins the pot.

(8) The 5 community cards shall be combined with none, 1, or 2 cards from each player to determine the player's best 5 card hand.

(9) There is no limit as to the amount a player can raise or bet during any round. At any time following the first deal, a player can go all-in.

(b) Conduct. -- The following rules shall apply to all Texas Hold'em Poker tournament play and must be included in the printed rules for each tournament:

(1) All players will receive an equal number of tournament chips for their entry fee and any subsequent re-buys or add-ons.

(2) Initial table and seat assignments shall be determined by random draw or assignment. As tables are combined following player elimination, the remaining players shall also draw or be reassigned to new seating assignments. The tournament director shall be permitted to provide for the reasonable accommodation(s) of those individual(s) with special need(s).

(3) Players are eliminated from the tournament when they lose all their chips. Players who lost in the multitable tournament are then eligible to participate in a sit and go game.

(4) Play will continue until only 1 player has not been eliminated.

(5) No agreement concerning division of prizes shall be made.

(6) The sponsoring organization shall have 2 separate decks of cards available at each table. The color or markings of the backs of the cards of the 2 decks must be different.

(7) All cards used to play Texas Hold'em Poker must be dealt out of the hand by the dealer.

(8) The dealer, at least once each hour, shall count the cards in the sealed deck to verify that the sealed deck is complete. The dealer, at least once every 2 hours, shall change the sealed deck of cards. When the 2 separate sealed decks of cards at the table have been used, the sponsoring organization or licensed third party vendor dealer shall replace the used sealed decks with a new set of 2 separate sealed decks of cards.

(9) All pots are to be awarded by the dealer only. When the dealer has awarded a pot and it has been taken in by that player without a claim made against it, the award stands. No player may make an agreement with any other player regarding the pot. Each game must be played to conclusion and the pot awarded to the actual winning player.

(10) Each player shall be permitted to play only 1 hand and the player shall make all decisions without advice from any other person. Any communication between a player with a live hand and a spectator about the play of the hand or other players at the table is prohibited.

(11) No player may allow a person to sit in on a tournament game on the player's behalf. No player may wager on another player's hand, nor may any player play other than the player's own hand. No player may exchange or otherwise transfer their chips to any other player during the tournament.

(12) No player shall have a camera, cell phone with camera or recording device at the poker table.

(13) Only tournament chips on the table at the start of a game may be in play for that pot. Concealed chips may not be used in play.

(14) A player may assemble chips in front of the player before acting. A player must be considered to have made a bet if the player pushes assembled chips forward or releases chips into the pot at a sufficient distance from the player to make it obvious that the player intends it as a bet. If the situation is unclear and the player allows the dealer to pull the player's chips into the pot without making an immediate objection, it must be considered a bet by the player.

(15) If a player is absent from the table they will be dealt in and all antes, forced bets and blinds will be posted as required. A player's hand will be immediately declared dead if the player is not in the player's seat when it is the player's turn to act.

§ 1540. Ranking of cards in hand.

The cards are ranked ace, king, queen, jack, 10, 9, 8, 7, 6, 5, 4, 3, and 2. A Texas Hold'em Poker hand in a showdown shall consist of 5 cards, ranked according to the following from highest to lowest:

(1) Straight flush. -- Five cards of the same suit in sequence; an ace-high straight flush is a "royal flush";

(2) Four of a kind. -- Four cards of the same rank;

(3) Full House. -- Three cards of the same rank and 2 cards of 1 other rank;

(4) Flush. -- Five cards of the same suit;

(5) Straight. -- Five cards in sequence;

(6) Three of a kind. -- Three cards of the same rank;

(7) Two pair. -- Two cards of the same rank and 2 cards of 1 other rank;

(8) One pair. -- Two cards of the same rank; and

(9) High card. -- The highest ranking card in the hand.

§ 1541. Tie.

Ties shall be broken and/or resolved according to house rules.

§ 1542. Sponsoring organization to provide dealer.

The sponsoring organization must provide the dealer, which may be provided by a licensed third party or charitable gaming vendor. The dealer shall not play, make a bet or otherwise wager on a Texas Hold'em Poker game.

§ 1543. Ante.

Each individual player must ante by placing chips equaling the ante in front of the player on the table before the first card of the game is dealt. The dealer must sweep the antes and place them in the pot. Once the first

card is dealt to any player, the ante may not be altered, except that if a player's hand is declared dead for reasons other than the player's fault, the ante may be returned to such player.

§ 1544. Shuffling device.

(a) If appropriate to the play of an approved Texas Hold'em Poker game, a Board-approved mechanical shuffling device may be used to dispense each player's cards, and/or the community cards, as a group, to the dealer. The dealer shall then deal an intact group of cards from the shuffling device to each player, and/or to the community card area, as specified by this chapter.

(b) If appropriate to the play of an approved Texas Hold'em Poker game, a Board-approved electronic shuffling device may be used to deal each player's cards, and/or the community cards, as a group, to the dealer. The dealer shall then deal an intact group of cards from the shuffling device to each player, and/or to the community card area, as specified by this chapter.

§ 1545. Protection of hands.

A player shall protect a held hand by holding onto it above the table or by placing 1 or more chips on it. A protected hand may not be ruled dead by accidental contact with discards unless it is impossible to reconstruct completely. A player who has a protected hand taken in by the dealer or fouled by discards through no fault of the player is entitled to a refund of all of the chips the player put in the pot in that game.

§ 1546. Misdeal.

(a) A card that is meant to be dealt face downward but is dealt face upward or flashed as it is dealt so that a player might know its identity or a card that is dealt off the table is dead. An exposed card meant to be dealt face downward must be replaced.

(b) In Texas Hold'em Poker games, if the flop is dealt prematurely or contains too many cards, the community cards are mixed with the remainder of the deck, which is then reshuffled, cut by the dealer and a new flop is dealt without burning a card. If the fourth community card is dealt prematurely, it is taken out of play for that round. The dealer will burn and turn what would have been the fifth community card in its place. After betting is completed, the dealer will place the premature fourth community card in the remainder of the deck, which is then reshuffled, cut by the dealer who then burns and deals the final community card. If the premature card is dealt on the fifth card, the deck is reshuffled and dealt in the same manner.

(c) A misdeal causes all of the cards to be returned to the dealer for a redeal. A misdeal may not be called once action has occurred.

§ 1547. Burned cards.

If the dealer burns a card, it must be kept separate from the muck until all cards have been dealt. If the dealer burns a card and is unable to deal immediately, the dealer may place the burned card back on top of the deck.

§ 1548. Required statements when betting.

A player may substitute a gesture for a verbal statement of the player's action. The dealer must announce it, and the player must correct the dealer before any further action takes place. A player may verbally state an action as "check," "call," "raise," or "fold." If a player bets but announces a fold, the player has a dead hand. A statement by a player of "call" or "raise," "check" or "fold," or of a specific bet is binding. A player who states a certain amount but puts a different value of chips into the pot must correct the bets to the stated amount. The dealer must insure all bets are as stated by the player. Players, who make a bet, decide incorrectly that they have no live hand against the play, and fold their hand, lose the pot unless their hand is declared retrievable by the dealer.

§ 1549. Call procedure.

(a) Players who unintentionally put fewer chips into the pot than are needed to call must complete the call or withdraw the partial bet in full. If action has taken place, the player is responsible for completing such player's bet, even if the player might have been unaware of the raise. Players may assemble chips in front of them before acting. A player makes a bet if such player pushes assembled chips forward or releases chips into the pot at a sufficient distance from the player to make it obvious that the intent is to bet. If the situation is unclear and a player allows the dealer to pull the player's chips into the pot without making an immediate objection, it is a bet. A player

must place the entire bet in front of the player at one time. Unless a player has placed the amount of chips required to call a bet and to signify a raise, the player may not place additional chips for a raise.

(b) If a player calls but places a value of chips into the pot that is larger than the bet, it must be regarded as a call unless the player announces a raise. The player may clarify an apparent call as a raise only if no other player behind such player has placed chips into the pot or announced a call or raise.

§ 1550. Showdown.

(a) If 2 or more players remain in the pot after all of the cards have been dealt and the betting is over for that hand, the remaining players show their cards to determine which player has the best hand and wins the pot.

(b) The following provisions govern showdown:

(1) A hand with too many or too few cards for that game is dead.

(2) A hand is ranked according to the actual cards it contains. The cards speak for themselves when exposed and laid face up on the table.

(3) A hand that is prematurely discarded by a player and touches the discarded cards is dead.

(4) A verbal concession of a losing hand is not binding.

(5) Players who leave the table concede the pot and have a dead hand.

(6) A hand discarded by the dealer without objection is dead.

§ 1551. Review of hands at showdown.

At the conclusion of the round, a player shall place the player's hand face upward on the table at the showdown as follows:

(1) If there has been a bet on the final round, the player who made the bet must show first;

(2) If there have been 1 or more raises on the final round, the player who last raised must show first;

(3) If the final round has been checked by all the players, the player who acted first must show first;

(4) The subsequent order of showing hands is clockwise around the table from the player who must show first; and

(5) A player may choose to discard a hand without showing it.

§ 1552. Award of pot.

Pots may only be awarded by the dealer. When the dealer has awarded a pot and it has been taken in by a player without a claim against it, the award stands. Any such claim shall be made before the objecting player's cards are mucked. No player may make an agreement with any other player regarding the pot. A hand must be played to conclusion and the pot awarded to the winning player or players.

§ 1553. Odd chips in ties.

If a pot that is split by having tied hands at the showdown has an odd chip, the chip is awarded to the first live player to the left of the button.

§ 1554. Use of defective deck.

If a defective deck is used, all chips in the pot must be returned to the players in the amount each contributed. Players who know the deck was defective and attempt to win the pot by a bet are not entitled to their chips in the pot. Such chips must remain in the pot as forfeited for the next game. A player who won a pot is entitled to keep it, even though the deck is subsequently found to be defective. No sponsoring organization or licensed third party or charitable gaming vendor shall use a deck which it knows or reasonably should have known to be defective. The cards in the deck shall be counted within 30 minutes of play, at a minimum.

§ 1555. Faced card.

If a card is improperly faced in the deck, it must be treated as a dead card and replaced by the next card below it in the deck.

§ 1556. Time limit.

The sponsoring organization may place a maximum time limit for players to act on their hands. At the end of the time limit, if the players have not bet, they must check. If there has been a bet to a player, the player's hand is dead. The dealer must provide warning to the player before the expiration of the time limit.

§ 1557. Posting of rules.

(a) Posted sponsoring organization rules shall be clear and legible and placed in a conspicuous and conveniently accessible location available to all players in the Texas Hold'em Poker tournament room. Rules posted and the place of posting must be approved by the sponsoring organization. Printed copies of sponsoring organization rules must be provided to players upon request. Any other rules besides the rules stated in this chapter shall be developed by the sponsoring organization. The sponsoring organization rules shall make reference to the Delaware Council on Gambling Problems, Inc., helpline phone number 888-850-8888.

(b) The sponsoring organization shall post in a conspicuous manner the Delaware Council on Gambling Problems, Inc., helpline phone number, which currently is 888-850-8888, and may display in a prominent manner materials provided by the Delaware Council on Gambling Problems, Inc.

§ 1558. Maximum number of players.

The maximum number of players in a Texas Hold'em Poker tournament shall be set by the sponsoring organization, but in no instance shall exceed the room occupancy established by the Delaware or Municipal Fire Marshal for the room in which the Texas Hold'em Poker tournament takes place.

§ 1559. Tournament chips required.

All wagers must be made with approved tournament chips provided by the sponsoring organization or licensed third party or charitable gaming vendors. No currency, chips other than tournament chips, or other thing of value may be used as wagers. No person may introduce into any Texas Hold'em Poker game any playing card that was not obtained through the current deal of the cards by the sponsoring organization's dealer, or any poker chip other than those obtained from the sponsoring organization where the Texas Hold'em Poker game is being held. Tournament chips shall have no cash value, and shall represent tournament points only. There shall be no limitation of the size of a wager made with tournament chips. Tournament chips may never be redeemed for cash or for any other thing of value, except that the point total represented by the players' accumulations of tournament chips shall be used to determine the winners and/or final place in a tournament. If the tournament chips in play are not imprinted with a number representing the actual number of points or units of credit which the chip represents, each tournament table must display a notice visible to all players which describes the currently assigned point or credit value to each different color of chip. The point value assigned to each color chip may change between rounds of tournament play, but the required notice must always reflect the current values.

§ 1560. Sit and go games; entry fee.

(a) Sit and go games. -- Only those individuals who lost in the multitable tournament may participate in a sit and go game. The entry fee for a sit and go game shall not exceed 1/2 the cost of that tournament's multitable entry fee. No re-buy or add-on shall be permitted at any sit and go game. The house rules, consistent with this chapter, shall govern the award of prizes for sit and go games.

(b) The amount of the tournament entry fee shall not exceed \$150. In exchange for the entry fee, a player shall receive a predetermined number of chips from the sponsoring organization. A player may be allowed 2 re-buys or add-ons per tournament event and the re-buys must be in the first 3 hours of the tournament. Each re-buy or add-ons fee shall not exceed \$25 and shall contain a predetermined number of chips. The sponsoring organization or licensed third party vendor shall supply wristbands to all tournament players who pay the tournament entry fee. Wristbands shall stay on the player the entire tournament. When a re-buy or add-on occurs, it shall be indicated on the wristband by the sponsoring organization or third-party vendor with some kind of predetermined marking or hole punch.

§ 1561. House Rules for Texas Hold'em Poker tournament play.

Printed house rules for the Texas Hold'em Poker tournament shall include:

- (1) The standard rules of play of each game as set forth in this chapter.
- (2) The amount of the entry fee. The rules must also expressly state whether or not re-buys or add-ons will be permitted, and if permitted, under what circumstances and conditions.
- (3) The initial amount of all antes and blind bets and a description of the manner in which the amount of antes and blinds will increase during the progress of the Texas Hold'em Poker tournament.

(4) How the final round of play is to be determined and how the Texas Hold'em Poker tournament is to be concluded.

(5) How many prizes are to be awarded and the exact description of each prize.

§ 1562. Limitations of Texas Hold'em Poker tournaments.

No sponsoring organization shall conduct more than 5 Texas Hold'em Poker tournaments per calendar year with each tournament by the sponsoring organization to be held at least 70 days apart. Texas Hold'em Poker tournaments shall not commence prior to 1:30 p.m. and shall be limited to 6 consecutive hours and may not continue after 1:00 a.m.

§ 1563. Prize amount.

The value of prizes shall be prescribed by the rules and regulations of the Board.

§ 1564. Alcoholic beverages.

Alcoholic beverages shall be allowed to be sold and/or distributed at a Texas Hold'em Poker tournament pursuant to the Delaware Liquor Control Act.

§ 1565. Hold'em Poker tournament director.

(a) A sponsoring organization shall appoint a tournament director for each Texas Hold'em Poker tournament. Nothing shall preclude the sponsoring organization from having a member of the licensed third-party or charitable gaming vendor as tournament director.

(b) The Texas Hold'em Poker tournament director shall be the final arbitrator of all disputes that occur during that tournament.

§ 1566. Age.

No person under the age of 21 years shall be permitted to participate in the Texas Hold'em Poker tournament or be permitted on that portion of the premises used for a tournament.

§ 1567. General licensing requirements.

(a) All employees, principals, owners and contractors of third party or charitable gaming vendors involved in conducting a Texas Hold'em Poker tournament shall be licensed. Only members of the sponsoring organization who are serving as dealers, bookkeepers or treasurers as defined in § 1538 of this title, or as the tournament director, as discussed in § 1566 of this title, for that Texas Hold'em Poker tournament shall be licensed. The license applicant will contact the State Bureau of Identification to make arrangements for fingerprint processing. An applicant must complete a fingerprint card and form with the necessary personal information and sign an Authorization for Release of Information form to release criminal history to the Division of Professional Regulation and the Delaware Board of Charitable Gaming. At the time of processing, the applicant must show proof of official identification to complete the criminal history request. A fee is required to be paid for state and federal processing of fingerprint cards and criminal history records. The fee is set by the State Bureau of Identification, and the applicant is to make that payment directly to that agency. Certified copies of the criminal history record will be forwarded to the Division of Professional Regulation. A report of the applicant's entire federal criminal history record pursuant to the Federal Bureau of Investigation appropriation of Title II of Public Law 92-544 (28 U.S.C. § 534) must be produced. The State Bureau of Identification shall act as the intermediary for the receipt of the federal criminal history record checks performed by the Federal Bureau of Investigation. The State Bureau of Identification shall forward the results of these federal record checks to the attention of the Division of Professional Regulation, along with the results of a report of the individual's entire criminal history record from the State Bureau of Identification or a statement from the State Bureau of Identification that the State Bureau of Identification Central Repository contains no such information relating to that person, in a confidential manner. The Division of Professional Regulation will provide that individual applicant with a copy of the criminal history records. The applicant shall have the opportunity to respond to the Division of Professional Regulation regarding any information obtained prior to a determination of suitability for licensure. Such a response shall be made within 10 days of the person's receipt of the criminal background information from the Division of Professional Regulation.

(b) Investigators assigned to the Division of Professional Regulation will conduct an investigation to determine the suitability of the applicant. The investigator will provide his or her recommendation of suitability of

each applicant to the Delaware Board of Charitable Gaming. The Division of Professional Regulation investigators may access the state criminal history databases for the purpose of reviewing the criminal history of any individual licensee.

(c) In making the determination of suitability for licensure, the Delaware Board of Charitable Gaming shall consider the background of each individual applicant. The licensure requirement shall include the satisfaction of such security, fitness and background standards as the Delaware Board of Charitable Gaming may deem necessary relating to competence, honesty and integrity, such that a person's reputation, habits and associations do not pose a threat to the public interest of the State or to the reputation of or effective regulation and control of Texas Hold'em Poker tournaments. It is specifically provided that any person convicted of any felony, a crime involving gambling, or a crime of moral turpitude within 10 years prior to applying for a license or any time thereafter shall be deemed unfit. The Delaware Board of Charitable Gaming shall also consider the applicant's truthfulness in disclosing requested information, particularly the applicant's criminal history.

(d) The Delaware Board of Charitable Gaming shall communicate the results of the determination of suitability in writing to the license applicant within 60 days of receipt of the criminal history information, unless extenuating circumstances require a longer period. If the Delaware Board of Charitable Gaming determines that an applicant has satisfied the licensing requirements set forth above, the applicant will be issued a Texas Hold'em Poker license. If a determination is made to deny a person licensure, the person shall have an opportunity to appeal for reconsideration as set forth below:

(1) Appeal shall be initiated by a person notified that the person is being denied a license pursuant to this chapter by submitting a request for a hearing to the Delaware Board of Charitable Gaming within 10 days of receipt of the written notice.

(2) The appeal shall be reviewed by the Delaware Board of Charitable Gaming and the person shall be given the opportunity to be heard by the Delaware Board of Charitable Gaming within 60 days of receipt of the letter of appeal, unless extenuating circumstances require a longer period. Any hearing will be pursuant to the procedures set forth by the Delaware Board of Charitable Gaming.

(3) A written decision shall be rendered by the Delaware Board of Charitable Gaming within 60 days of the hearing, unless extenuating circumstances require a longer period. All decisions made by the Delaware Board of Charitable Gaming under this appeal procedure are final and may then be appealed to the Superior Court under § 10142 of Title 29.

(4) A person determined to be unsuitable for licensure pursuant to this procedure shall be prohibited from reapplying for licensure for a period of 12 months.

(e) All records pertaining to criminal background checks and suitability determinations of applicants for licensure shall be maintained in a confidential manner including, but not limited to, the following:

(1) Access to criminal background check records, letters of reference accompanying out-of-state criminal background checks and determination of suitability of applicants shall be limited to the Delaware Board of Charitable Gaming and designated personnel in the Division of Professional Regulation;

(2) All such records shall be kept in locked cabinets; and

(3) No information from such records shall be released without the signed release of the individual applicant.

(f) All records pertaining to criminal background checks and suitability determinations of applicants for licensure and Delaware Board of Charitable Gaming meetings to make suitability determinations shall not be subject to the Delaware Freedom of Information Act, Chapter 100 of Title 29.

§ 1568. License enforcement.

(a) Any entity or organization that violates this chapter or any rule or regulation duly promulgated thereunder, or any condition of a license issued pursuant to § 1568 of this title, or any administrative order issued pursuant to this chapter, or who is involved in any way in a poker game not permitted or licensed by the Board, shall be punishable as follows and in addition to any criminal penalties that may result from such violations:

(1) In the discretion of the Delaware Board of Charitable Gaming, the Delaware Board of Charitable Gaming may impose an administrative penalty of not more than \$1,000 for each violation. Each day of continued violation shall be considered as a separate violation if the violator has knowledge of the facts constituting the violation and knows or should know that such facts constitute or may constitute a violation. Lack of knowledge regarding such facts or violation shall not be a defense to a continued violation with respect to the first day of its occurrence. Prior to the assessment of an administrative penalty, written notice of the Delaware Board of Charitable Gaming's proposal to impose such penalty shall be given to the violator, and the violator shall have 30 days from receipt of such notice to request a public hearing. Any public hearing, if requested, shall be held prior to the imposition of the penalty and shall be governed by § 10125 of Title 29. If no hearing is timely requested, the proposed penalty shall become final and shall be paid no later than 60 days from receipt of the notice of the proposed penalty. Assessment of an administrative penalty shall take into account the circumstances, nature and gravity of the violation, as well as any prior history of violations, the degree of culpability, the economic benefit to the violator resulting from the violation, any economic loss to the public and such other matters as justice may require. In the event of nonpayment of an administrative penalty, within 30 days after all legal appeal rights have been waived or otherwise exhausted, a civil action may be brought by the Delaware Board of Charitable Gaming in Superior Court for the collection of the penalty, and for interest, from the date payment was due, attorneys' fees and other legal costs and expenses. The validity or amount of such administrative penalty shall not be subject to review in an action to collect the penalty. Any penalty imposed after a public hearing is held pursuant to this subsection shall be appealable to the Superior Court and such appeal shall be governed by § 10142 of Title 29.

(2) In the discretion of the Delaware Board of Charitable Gaming, the Delaware Board of Charitable Gaming may endeavor to obtain compliance with requirements of this chapter by written administrative order. Such order shall be provided to the responsible party, shall specify the complaint, and propose a time for correction of the violation. It may also provide an opportunity for a public hearing at which the Delaware Board of Charitable Gaming shall hear and consider any submission relevant to the violation, corrective action or the deadline for correcting the violation.

(3) Any interest, costs or expense collected under this section shall be appropriated to the Division of Professional Regulation to carry out the purposes of the Delaware Board of Charitable Gaming.

(b) Every license issued by the Delaware Board of Charitable Gaming shall bear thereon the distinguishing number assigned to the licensee and shall contain the name and photograph of the licensee. A fee of \$15 shall be paid to the Division of Professional Regulation for each individual license.

(c) All licenses will be the property of the Delaware Board of Charitable Gaming and shall be returned to the Delaware Board of Charitable Gaming if the person's license is suspended or revoked pursuant to this section.

(d) All licensees will prominently display their license while on duty or acting in their official capacity at a Texas Hold'em Poker tournament.

§ 1569. License renewal.

(a) Each individual applicant's license shall expire and be renewable every 3 years. Ninety days prior to expiration, each licensee shall contact the Division of Professional Regulation and submit a new and updated license application form for a background investigation. The background investigation will follow the procedures set forth in § 1568 of this title.

(b) Any person licensed under this chapter or any person who has submitted a license application shall notify the Division of Professional Regulation no later than 3 days after arrest for any crime (excluding minor traffic violations). The Division of Professional Regulation will then forward such notification to the Delaware Board of Charitable Gaming. This subsequent criminal history information shall be used by the Delaware Board of Charitable Gaming in making a determination about the person's continued suitability as a licensee.

§ 1570. Licensed third-party vendors.

(a) Sponsoring organizations shall be allowed to use licensed third-party or charitable gaming vendors to supply equipment and dealers for Texas Hold'em Poker.

(b) Sponsoring organizations shall contract with the licensed third-party or charitable gaming vendor or vendors with terms to be worked out between the parties. However, no licensed third-party or charitable gaming vendor shall receive a gross aggregate compensation based on a percentage of what the sponsoring organization receives in fees for that tournament, including entry fees and re-buy fees or add-on fees and sit and go games.

Approved February 25, 2014