

DEPARTMENT OF STATE
DIVISION OF PROFESSIONAL REGULATION

Gaming Control Board

Statutory Authority: 28 Delaware Code, Section 1122 (28 **Del.C.** §1122)
10 **DE Admin. Code** 104

PROPOSED

PUBLIC NOTICE

104 Regulations Governing Texas Hold 'Em Poker

A. Type of Regulatory Action Required

Amendment to Existing Regulations

B. Synopsis of Subject Matter of the Regulation

The Delaware Board of Charitable Gaming will seek public comments on the issue of whether certain amendments to its current rules should be adopted.

One proposed amendment would create a new rule in 10 **DE Admin. Code** 104 explaining the requirements for licensing dealers in Texas Hold 'Em tournaments. These requirements are currently found in the statute at 28 **Del.C.** §1832, and would be essentially the same requirements as for licensing charitable gaming vendors.

Persons wishing to present their views regarding this matter may do so by appearing at a public hearing on Thursday, November 3, 2011 at the meeting of the Delaware Board of Charitable Gaming, 861 Silver Lake Boulevard, Cannon Building, Suite 203, Dover, DE 19904. Persons may also submit written comments by the close of business on or before October 31, 2011 at the same address. A copy of these regulations is available from the above address or may be viewed at the Division of Professional Regulation business office at the same address.

C. Summary of Proposal

The amendments would add a definition of the term "charitable gaming vendor" and "officer" and also explain in detail the licensure requirements for such vendors so that the Board may adhere to new legislation calling for it to license third party vendors who assist charitable organizations in conducting gaming events, and the new legislation's requirement that the Board mandate criminal background checks of vendors and their officers. A similar rule would appear showing licensure requirements for Texas Hold 'Em dealers, which requirements already appear in the statute. A new rule will explain that organizations are limited in the number of events that can be held. If an organization has affiliated entities, they must share in the number of permitted events. But if the organization is operating under another charitable organization's status and with that organization's permission, such as local branches of national charities where the local branches are independent of each other, then each of those local entities is entitled to have the maximum number of events without the need to share them with the other local branches.

104 Regulations Governing Texas Hold 'Em Poker

1.0 Reports After the Function

- 1.1 Within 30 days of the last day of the function, the member-in-charge shall submit a report to the Board that includes all information required by 28 **Del.C.** §1140(a).
- 1.2 When no function is held on a date a licensee is authorized to hold such a function, a report to that effect shall be filed with the Board.
- 1.3 If a licensee fails to timely file a report or if a report is not properly verified, no further license shall be issued to the licensee and any existing license shall be suspended until such time as the deficiency has been corrected.

2.0 Limitation of Texas Hold 'Em Tournaments

- 2.1 The Board interprets the phrase "with each tournament by the sponsoring organization to be held at least 70 days apart" in 28 **Del.C.** §1827 to mean that no sponsoring organization may conduct a subsequent tournament less than 70 days from the date of their immediately prior tournament.
- 2.2 A sponsoring organization and any auxiliary seeking to hold a tournament with the sponsoring organization's approval may hold up to a total of five tournaments per year. It is not permissible for a sponsoring organization to hold up to five tournaments and for an auxiliary to also hold up to five tournaments per year.
- 2.3 Only a member of the sponsoring organization may receive the funds during the tournament.

12 DE Reg. 357 (9/01/08)
13 DE Reg. 107 (07/01/09)
13 DE Reg. (01/01/10)
13 DE Reg. 1580 (06/01/10)

3.0 Re-buys

The statutory provisions of 28 Del.C. §1825 and 28 Del.C. §1826(2) do not harmonize. Consequently, the Board has determined that re-buys are optional.

11 DE Reg. 516 (10/01/07)

4.0 Application

An application must be submitted sufficiently in advance of the proposed date of the function as to allow the Board to consider the application at two consecutive board meetings before deciding whether to approve or deny the application.

12 DE Reg. 357 (9/01/08)

5.0 Prize Amount

No prize greater in amount or value than \$5,000 shall be offered or given in any single tournament and the aggregate amount or value of all prizes offered or given in any single tournament shall not exceed \$13,000.

13 DE Reg. 412 (09/01/09)

6.0 Licensure

6.1 All employees, principals, owners and contractors of third party vendors or charitable gaming vendors involved in conducting a Texas Hold 'Em tournament shall be licensed. Only members of the sponsoring organization who are serving as dealers, bookkeepers or treasurers, or as the tournament director for the tournament shall be licensed.

6.2 Investigators assigned to the Division will conduct an investigation to determine the suitability of the applicant for licensure. The investigator will provide his or her recommendation of suitability of each applicant to the Delaware Board of Charitable Gaming. The Division's investigators may access the state and federal criminal history databases for the purpose of reviewing the criminal history of any individual applicant.

6.3 The applicant must contact the State Bureau of Identification ("Bureau") to make arrangements for fingerprint processing. The 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 records to the Division of Professional Regulation ("Division") 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 Bureau, and the applicant shall make that payment directly to that agency. Certified copies of the criminal history record shall be forwarded to the Division. The Bureau shall act as the intermediary for the receipt of the federal criminal history record checks performed by the Federal Bureau of Investigation. The Bureau shall forward the results of these federal record checks to the attention of the Division, along with the results of a report of the individual's entire criminal history record from the Bureau or a statement from the Bureau that its Central Repository contains no such information relating to that person, in a confidential manner. The Division will provide the applicant with a copy of the criminal history records. The applicant shall have the opportunity to respond to the Division regarding any information obtained prior to a determination of suitability for licensure. Such a response shall be made within ten (10) days of the person's receipt of the criminal background information from the Division.

6.4 In making the determination of suitability for licensure, the 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 Board 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 charitable gaming. It is specifically provided that any person convicted of any felony, a crime involving gambling, or a crime of moral turpitude within ten (10) years prior to applying for a license or any time thereafter shall be deemed unfit. The Board shall also consider the applicant's truthfulness in disclosing requested information, particularly in regard to the criminal history.

6.5 The Board shall communicate the results of the determination of suitability in writing to the applicant within sixty (60) days of receipt of the criminal history information, unless extenuating circumstances require a longer

period. If the Board determines that an applicant has satisfied the licensing requirements, the applicant will be issued a license. If an applicant is denied a license, the applicant may appeal for reconsideration as set forth below.

- 6.5.1 Appeal may be initiated by an applicant notified that the license was denied by submitting a request for a hearing to the Board of Charitable Gaming within ten (10) days of receipt of the notice of denial.
- 6.5.2 The appeal shall be reviewed by the Board and the person shall be given the opportunity to be heard by the Board within sixty (60) days of receipt of the letter of appeal, unless extenuating circumstances require a longer period. The hearing will be held in accordance with the Administrative Procedures Act, 29 Del.C., Chapter 101.
- 6.5.3 A written decision shall be rendered by the Board within sixty (60) days of the hearing, unless extenuating circumstances require a longer period. All decisions are final and may then be appealed to Superior Court under 29 Del.C. §10142.
- 6.6 An applicant determined to be unsuitable for licensure pursuant to this procedure shall be prohibited from reapplying for licensure for a period of twelve (12) months.
- 6.7 All records pertaining to criminal background checks and suitability determinations shall be maintained in a confidential manner including, but not limited to, the following:
 - 6.7.1 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 Board and designated personnel within the Division;
 - 6.7.2 All such records shall be kept in locked cabinets or as digital files; and
 - 6.7.3 No information from such records shall be released without the signed release of the individual applicant or officer.
 - 6.7.3.1 All records pertaining to criminal background checks and suitability determinations of applicants for licensure and Board of Charitable Gaming meetings to make suitability determinations shall not be subject to the Delaware Freedom of Information Act, Title 29, Chapter 100.

15 DE Reg. 495 (10/01/11) (Prop.)