

A HOUSE BILL FOR AN ACT

Amending Chuuk State Law No. 2-94-21 by exempting internet gaming from the prohibition on gambling, by adding a new Section 6 to establish the minimum license fee for operation of internet gaming establishment in the State, by providing penalty for violations thereof, and for other purposes.

Be it enacted by the Chuuk State Legislature:

1 Section 1. Amendment. Section 1 of Chuuk State Law No 2-94-21 is hereby amended to
2 read as follows:

3 “Section 1. Definitions.

4 (a) “Establishment” define: “Establishment” means any premises wherein any
5 gaming is done.

6 (b) “Game” and “gambling” define: “Game” or “gambling” means playing of the
7 use of any gaming device, mechanical, electric mechanical or electric device
8 or machine or game of chance, for money, property, checks, credit or any
9 representative of value, including, without limiting the generality of the
10 foregoing, faro, monte, roulette, keno, bingo, fan-tan, twenty-one, blackjack,
11 seven-and-a-half, big injun, Klondike, craps, poker, chuck-a-luck, Chinese
12 chuk-a-luck (daishu), wheel of fortune, chemin de fer, baccarat, pai, gow,
13 beath the banker, cock-fighting, panuingui, slot machine, any banking or
14 percentage game or any other game or device, but does not include gaming
15 played on the internet nor games played in private homes or residences in
16 which no person makes money for paying or operating such games.

17 (c) “Conduct of gaming or gambling” defined. “Conducting of gaming or
18 gambling” means to deal, operate, carry on, conduct, maintain or expose for
19 play any game as defined in section 1 (b).

20 (d) “Gaming device” defined. “Gaming device” means any equipment or
21 mechanical, electro mechanical or electronic contrivance, component or
22 machine used remotely or directly in connection with gaming or any game,

1 other than those played on the internet, which affects the result of a wager by
2 determining win or lose.

3 (e) "Person" defined. "Person" means any individual, sole proprietorship,
4 unincorporated association partnership, joint venture, corporation, holding
5 company, and any other entity organized for the purpose of or conducting
6 business in Chuuk State.

7 (f) "Prostitution" defined. "Prostitution" means the act of performing, or offering
8 or agreeing to perform a sexual act for hire, either as a prostitute or as a
9 customer of a prostitute. Prostitution includes engaging in or agreeing or
10 offering to engage in sexual conduct with another person, and engaging in any
11 lewd act between person, for money or other consideration either as the
12 person paying or the person receiving the money or other consideration.

13 Section 2. Gaming, Gambling, Prohibited. Except as specifically provided in section 1

14 (a) of this Act, no person in Chuuk State, either on land, on or under the state's water, or in its
15 airspace, shall be permitted to conduct gaming or gambling, or to permit gaming or gambling on
16 his property. A person convicted for violation of this section shall be guilty of a felony and
17 punished by imprisonment for not more than 10 years, or fine of not more than \$100,000.00, or
18 both.

19 Section 3. Gaming Devices Prohibited. Gaming devices are prohibited in Chuuk State.

20 A person convicted of possession of a gaming device shall be guilty of a felony and punished by
21 imprisonment for not more than 3 years, or fine of not less than \$500.00 and not more than
22 \$10,000.00, or both.

23 Section 4. Gaming Prohibited. A person who intentionally plays a game or uses any
24 gaming device, as defined in this Act, shall be guilty of a misdemeanor, and upon conviction
25 thereof shall be punished by imprisonment for not less than 30 days and not more than 1 year, or
26 fine of not less than \$100.00 not more than \$5,000.00, or both.

27 Section 5. Prostitution Prohibited. Prostitution or in any way taking part of aiding in
28 prostitution is prohibited in Chuuk State. A person convicted of prostitution or of taking part or
29 aiding in prostitution shall be guilty of a misdemeanor and upon conviction thereof punished by
30 imprisonment for not more than one year, or a fine of not less than \$500.00 for each violation, or
31 both.

1 Section 6. Any person applying to operate any gaming establishment in the State through
2 utilization of the internet shall not be issued a gaming license without payment of a license fee of
3 \$100,000 a month, or \$1.2 million a year in addition of State share of 5% of the gross business
4 receipts after each business year.

5 Section 7. Effective Date. This act shall become law upon its approval by the Governor,
6 or upon its becoming law without such an approval.

Date: _____

Introduced by: _____

Rep. Kenruo Nero, Flr. Leader
House of Representatives
(By Request)