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AMENDED IN ASSEMBLY SEPTEMBER 10, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1437

Introduced by Assembly Member Gray
(Coauthors: Assembly Members Brown and Jones-Sawyer)

February 27, 2015

An act to add Chapter 4.7 (commencing with Section 19750) to Division 8 of the Business and Professions Code, and to amend Section 337a of the Penal Code, relating to gambling, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1437, as amended, Gray. Gambling: Internet Fantasy Sports Game Protection Act.

Existing law, the Gambling Control Act, provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission and the investigation and enforcement of those activities and establishments by the Department of Justice. Existing law prohibits a person, whether or not for gain, hire, or reward, from making a betting pool or placing a bet or wager on the result of any contest or event, including a sporting event, as specified.

This bill would enact the Internet Fantasy Sports Games Consumer Protection Act, which would require a person or entity to apply for, and receive, a license from the department prior to offering an Internet fantasy sports game for play in California. The bill would require the department to issue a license to a person or entity that applies for a

license if the person or entity satisfies specified requirements, including, among others, that the applicant is of good character, honesty, and integrity. The bill would also require a person to register with a “licensed operator” prior to participating in an “Internet fantasy sports game” on an “authorized Internet Web site,” as those terms are defined.

The bill would require a licensed operator, among other things, to ensure that a registered player is eligible to play on an authorized Internet Web site, and to implement appropriate data security standards to prevent access by a person whose age and location have not been verified. The bill would authorize the department to assess a civil penalty against a licensed operator that violates these provisions according to a specified schedule depending on the number of violations. The bill would require the department to develop an online self-exclusion form on or before July 1, 2017, and to deliver that form to each licensed operator, and would require each licensed operator to make that form available to its registered players. *The bill would also require a licensed operator to, among other things, hold the funds in a registered player’s account in trust for that registered player . The bill would prohibit a licensed operator from engaging in certain activities, including, among other things, from allowing a registered player to establish more than one account or user name on its authorized Internet Web site, from issuing credit to a registered player, from advertising in publications or other media that are aimed exclusively or primarily at persons under 21 years of age, and from depicting persons under 21 years of age, students, or school or college settings in its advertisements. The bill would also prohibit an officer, director, principal, employee, or contractor of a licensed operator from engaging in certain activities, including, among other things, from playing an Internet fantasy sports game offered by a licensed operator.*

The bill would require a licensed operator to pay an annual regulatory fee, for deposit into the Fantasy Sports Fund, which the bill would establish in the State Treasury. The bill would continuously appropriate the Fantasy Sports Fund to the department for the reasonable costs of license oversight, consumer protection, state regulation, and other purposes related to the bill. The bill would require each licensed operator to pay a one-time license fee into the General Fund in an unspecified amount. The license fee would be credited against quarterly fees equivalent to an unspecified percentage of the licensed operator’s gross income that is attributable to the operation of an authorized Internet Web site in California.

The bill would make proprietary information provided by a licensed operator confidential in order to protect the licensed operator and to protect the security of an authorized Internet Web site. The bill would also prohibit a city, county, or city and county from regulating, taxing, or entering into a contract with respect to, any matter governed to the bill's provisions, and would make conforming changes.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

This bill would include a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of 2/3 of the membership of each house of the Legislature.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 4.7 (commencing with Section 19750)
2 is added to Division 8 of the Business and Professions Code, to
3 read:

4
5 CHAPTER 4.7. THE INTERNET FANTASY SPORTS GAMES
6 CONSUMER PROTECTION ACT

7
8 Article 1. Preliminary Provisions
9

10 19750. This chapter shall be known and may be cited as the
11 Internet Fantasy Sports Games Consumer Protection Act.

12 19752. The Legislature finds and declares all of the following:

13 (a) The Internet is an integral tool in the everyday lives of
14 Californians. Commerce, communication, and entertainment are
15 just some of the areas in which this technological aid thrives.

16 (b) Participating in Internet fantasy sports games, including
17 those of the daily variety, is a very popular activity in California,
18 and with the Internet as a technological aid, participation in these
19 games can be conducted in a virtual environment and played from

1 the privacy of one's own computer or mobile device. Despite a
2 lack of regulation, participation in Internet fantasy sports games
3 still remains popular with California residents.

4 (c) Californians participate in Internet fantasy sports games on
5 a daily basis on unregulated Internet Web sites. Neither federal
6 nor California laws provide any consumer protections for California
7 players. California players assume all risks, any negative social or
8 financial impacts are borne by the citizens of California, and the
9 revenues generated from these games are being realized by
10 unlicensed operators and do not provide any benefits to the citizens
11 of California.

12 (d) To better protect the people of California from potential
13 risks from, and to maintain oversight of the systems used to carry
14 out, Internet fantasy sports games, the Legislature finds it to be in
15 the interest of the people to establish a regulatory framework by
16 which entities, as authorized by the Department of Justice, may
17 facilitate Internet fantasy sports games to players within California.

18 (e) State authorization to operate Internet fantasy sports games
19 consistent with federal law, and heightened regulation and
20 enforcement regarding this activity, will provide California with
21 the means to protect its citizens and consumers under certain
22 conditions by providing a framework to ensure that, among other
23 things, the state is not subject to an unnecessary and unprecedented
24 expansion of gambling, minors are prevented from gambling,
25 residents participating in these games are protected, and the state
26 is not deprived of revenues to which it would otherwise be entitled
27 from these activities.

28 19754. It is the intent of the Legislature to create a licensing
29 and regulatory framework and enforcement mechanisms for
30 Internet fantasy sports games to do all of the following:

31 (a) Ensure that Internet fantasy sports games of any duration
32 are offered for play only in a manner that is consistent with federal
33 and state law.

34 (b) Ensure the state possesses sufficient resources to enforce
35 prohibitions of illegal gambling activity, in part, by establishing
36 a regulatory enforcement fund.

37 (c) Ensure that the state is able to collect income tax revenues
38 from registered players participating in authorized Internet fantasy
39 sports games in the state.

1 (d) Create systems to protect each registered player’s private
2 information and prevent fraud and identity theft.

3 (e) Ensure that a registered player is able to have his or her
4 financial transactions processed in a secure, timely, and transparent
5 fashion.

6 (f) Require that each licensed operator’s Internet Web site
7 contains information relating to problem gambling, including a
8 telephone number that an individual may call to seek information
9 and assistance for a potential gambling addiction.

10 (g) Ensure that each licensed operator maintains responsibility
11 for the Internet fantasy sports games business and is not serving
12 as a facade for an entity not eligible to be a licensed operator, and
13 that each Internet fantasy sports games Web site identifies who is
14 the actual licensed operator to ensure protection of players.

15 (h) Deposit regulatory fees collected by the state from each
16 licensed operator into the Fantasy Sports Fund, as established in
17 Section 19780.

18

19

Article 2. Definitions

20

21 19760. For purposes of this chapter, all of the following
22 definitions apply:

23 (a) “Authorized Internet Web site” means an Internet Web site
24 operated by a licensed operator.

25 (b) “Department” means the Department of Justice.

26 (c) “Fund” means the Fantasy Sports Fund established by
27 Section 19780.

28 (d) “Internet fantasy sports game” means a game of any duration
29 conducted on the Internet in which a registered player does all of
30 the following:

31 (1) Competes against other registered players or a target score
32 as the owner or manager of an imaginary or simulated team of
33 athletes in an imaginary or simulated game.

34 (2) Uses the statistics accumulated by the athletes in real-world
35 sporting events to determine the scores of the imaginary or
36 simulated game.

37 (3) Plays for a predetermined prize.

38 (4) Pays a charge to the licensed operator providing the game
39 in order to participate.

1 (e) “Licensed operator” means a person or entity licensed
2 pursuant to this chapter to offer Internet fantasy sports games for
3 play on an authorized Internet Web site.

4 (f) “Registered player” means a person registered pursuant to
5 this chapter to participate in an Internet fantasy sports game on an
6 authorized Internet Web site.

7

8 Article 3. Licensed Operators and Registered Players

9

10 19770. (a) A person or entity shall apply for and receive a
11 license from the department prior to offering an Internet fantasy
12 sports game for play in California.

13 (b) The department shall issue a license to a person or entity to
14 operate an authorized Internet Web site if the applicant satisfies
15 all of the following:

16 (1) The applicant is of good character, honesty, and integrity.

17 (2) The applicant’s prior activities, criminal record, if any,
18 reputation, habits, and associations do not pose a threat to the
19 public interest of the state, or to the effective regulation and control
20 of Internet fantasy sports games, or create or enhance the dangers
21 of unsuitable, unfair, or illegal practices, methods, and activities
22 in the conduct of Internet fantasy sports games or in the carrying
23 on of the business and financial arrangements incidental to those
24 games.

25 (3) The applicant is in all other respects qualified to be licensed
26 as provided in this chapter, including, but not limited to, providing
27 documentation establishing that the applicant is capable of paying
28 the one-time license fee described in Section 19782 through its
29 own net position or through credit directly available to the
30 applicant.

31 (c) The department may promulgate regulations to implement
32 this section.

33 19772. (a) In order to ensure the protection of registered
34 players, an authorized Internet Web site shall identify the person
35 or entity that is the licensed operator.

36 (b) A licensed operator shall ensure that an Internet fantasy
37 sports game on its authorized Internet Web site complies with all
38 of the following:

1 (1) An imaginary or simulated sports team in the game shall
2 not be based on the current membership of an actual team that is
3 a member of an amateur or professional sports organization.

4 (2) A prize or award offered to the winning registered player
5 or players shall be established and made known to the participating
6 registered players in advance of the contest.

7 (3) The value of a prize or award offered to the winning
8 registered player or players shall not be determined by the number
9 of participating registered players or the amount of any charges
10 paid by those participating registered players to the licensed
11 operator.

12 (4) The winning outcome of the game shall not be either of the
13 following:

14 (A) Based on the score, point spread, or performance of any
15 single real-world team or any combination of real-world teams.

16 (B) Based solely on the single performance of an individual
17 athlete in a single real-world sporting event.

18 (c) (1) *A licensed operator shall hold the funds of a registered
19 player in a registered player's account in trust for that registered
20 player.*

21 (2) *A licensed operator shall implement, and prominently display
22 on its authorized Internet Web site, procedures that accomplish
23 all of the following:*

24 (A) *Prevent unauthorized withdrawals from registered player
25 accounts, including, but not limited to, withdrawals by the licensed
26 operator and other individuals.*

27 (B) *Prevent commingling of funds in a registered player's
28 account with other funds, including, but not limited to, the licensed
29 operator's funds.*

30 (C) *Establish procedures for a registered player to report
31 complaints to the licensed operator regarding whether his or her
32 account has been misallocated, compromised, or otherwise
33 mishandled, and a procedure for the licensed operator to respond
34 to those complaints.*

35 (d) *A licensed operator shall not issue credit to a registered
36 player.*

37 (e) *A licensed operator shall not allow a registered player to
38 establish more than one account or user name on its authorized
39 Internet Web site.*

1 (f) (1) *A licensed operator shall not advertise in publications*
2 *or other media that are aimed exclusively or primarily at persons*
3 *under 21 years of age. A licensed operator's advertisement shall*
4 *not depict persons under 21 years of age, students, or school or*
5 *college settings.*

6 (2) *A licensed operator shall not advertise an Internet fantasy*
7 *sports game to an individual by phone, email, or any other form*
8 *of individually targeted advertisement or marketing material, if*
9 *the individual has self-excluded himself or herself pursuant to*
10 *Section 19774 or if the individual is otherwise barred from*
11 *participating in that Internet fantasy sports game.*

12 19774. (a) A person shall register with a licensed operator
13 prior to participating in an Internet fantasy sports game on an
14 authorized Internet Web site.

15 (b) A licensed operator shall ensure that a registered player is
16 eligible to play on an authorized Internet Web site, and implement
17 appropriate data security standards to prevent access by a person
18 whose age and location have not been verified in accordance with
19 this chapter.

20 (c) A licensed operator shall ensure that a registered player is
21 physically located within the State of California at the time of
22 participating in an Internet fantasy sports game on an authorized
23 Internet Web site.

24 (d) A licensed operator shall ensure that a registered player is
25 at least 21 years of age.

26 (e) (1) Each licensed operator shall, prior to registering and
27 permitting a person to participate in an Internet fantasy sports game
28 on an authorized Internet Web site, verify that the person is 21
29 years of age or older by doing both of the following:

30 (A) Attempting to match the name, address, and date of birth
31 provided by the person to information contained in records in a
32 database of individuals who have been verified to be 21 years of
33 age or older by reference to an appropriate database of government
34 records.

35 (B) Verifying that the name and physical billing address on the
36 check or credit card offered for payment by the person seeking to
37 be a registered player matches the name and address listed in the
38 database described in subparagraph (A).

39 (2) If the licensed operator is unable to verify that the person is
40 21 years of age or older pursuant to paragraph (1), the licensed

1 operator shall require the person to submit age-verification
2 documents consisting of an attestation signed by the person that
3 he or she is 21 years of age or older and a copy of a valid form of
4 government identification, either electronically or by mail. For the
5 purposes of this paragraph, a valid form of government
6 identification includes a driver's license, state identification card,
7 passport, official naturalization or immigration document, including
8 an alien registration receipt card or an immigrant visa, or United
9 States military identification. The licensed operator shall verify
10 that the physical billing address on the check or credit card
11 provided by the person matches the address listed on his or her
12 government identification.

13 (3) A licensed operator is not in violation of this section if the
14 operator complies with the requirements of paragraphs (1) and (2),
15 and a person under 21 years of age participates in an Internet
16 fantasy sports game on the operator's authorized Internet Web
17 site.

18 (f) The department may assess a civil penalty against a licensed
19 operator that violates this section according to the following
20 schedule:

21 (1) Not less than one thousand dollars (\$1,000), and not more
22 than two thousand dollars (\$2,000), for the first violation.

23 (2) Not less than two thousand five hundred dollars (\$2,500),
24 and not more than three thousand five hundred dollars (\$3,500),
25 for the second violation.

26 (3) Not less than four thousand dollars (\$4,000), and not more
27 than five thousand dollars (\$5,000), for the third violation.

28 (4) Not less than five thousand five hundred dollars (\$5,500),
29 and not more than six thousand five hundred dollars (\$6,500), for
30 the fourth violation.

31 (5) Ten thousand dollars (\$10,000) for a fifth or subsequent
32 violation.

33 (g) (1) The department shall, by regulation, provide a process
34 for a licensed operator to exclude from play any person who has
35 filled out an online self-exclusion form.

36 (2) The department shall develop an online self-exclusion form
37 on or before July 1, 2017.

38 (3) The department shall deliver the form described in paragraph
39 (2) to each licensed operator.

1 (4) A licensed operator shall prominently display a link to the
2 department's Responsible Gambling Internet Web page and the
3 online self-exclusion form described in paragraph (2) when either
4 of the following occurs:

5 (A) A person registers as a registered player.

6 (B) Each time a registered player accesses the authorized
7 Internet Web site prior to playing.

8 (5) A licensed operator shall retain each online self-exclusion
9 form submitted to it by a registered player to identify persons who
10 want to be excluded from play. A licensed operator shall exclude
11 those persons from play.

12 (6) A licensed operator that has made commercially reasonable
13 efforts to comply with this subdivision is not in violation of this
14 section if a person who has filled out an online self-exclusion form
15 thereafter participates in an Internet fantasy sports game on the
16 operator's authorized Internet Web site.

17 *19776. (a) (1) This subdivision applies to all of the following*
18 *persons:*

19 (A) *An officer of a licensed operator.*

20 (B) *A director of a licensed operator.*

21 (C) *A principal of a licensed operator.*

22 (D) *An employee of a licensed operator.*

23 (E) *A contractor of a licensed operator.*

24 (2) *A person listed in paragraph (1) shall not play an Internet*
25 *fantasy sports game offered by a licensed operator.*

26 (3) *A person listed in paragraph (1) shall not play an Internet*
27 *fantasy sports game offered by a licensed operator through another*
28 *person as a proxy.*

29 (4) *A person listed in paragraph (1) shall not disclose*
30 *proprietary or nonpublic information that may affect the play of*
31 *an Internet fantasy sports game to any individual authorized to*
32 *play that Internet fantasy sports game.*

33 (5) *A licensed operator shall make the prohibitions in this*
34 *subdivision known to all affected individuals and corporate entities.*

35 (b) (1) *A licensed operator shall identify a highly experienced*
36 *registered player using a symbol attached to that registered*
37 *player's account or username, or by other means easily identifiable*
38 *by other registered players.*

39 (2) *A licensed operator shall develop and offer at least one*
40 *Internet fantasy sports game in which a highly experienced player*

1 *cannot participate either directly or through another person as a*
2 *proxy.*

3 ~~19776.~~

4 19778. (a) A licensed operator shall facilitate the collection
5 by the Franchise Tax Board of personal income taxes from
6 registered players and shall be responsible for providing current
7 and accurate documentation on a timely basis to all state agencies.

8 (b) The state and its agencies shall treat the proprietary
9 information provided by a licensed operator as confidential in
10 order to protect the licensed operator and to protect the security
11 of an authorized Internet Web site.

12 (c) Proprietary information supplied by a licensed operator to
13 a state agency is exempt from public disclosure, consistent with
14 subdivision (b) of Section 6253 of the Government Code.

15

16 Article 4. Fees and Financial Provisions

17

18 19780. (a) The Fantasy Sports Fund is hereby created in the
19 State Treasury, to be administered by the department.
20 Notwithstanding Section 13340 of the Government Code, all
21 moneys in the fund are continuously appropriated to the
22 department, without regard to fiscal years, in the amounts necessary
23 for the department to perform its duties under this chapter.

24 (b) Each licensed operator shall pay an annual regulatory fee,
25 to be deposited in the Fantasy Sports Fund, in an amount to be
26 determined by the department, for the reasonable costs of license
27 oversight, consumer protection, state regulation, problem gambling
28 programs, and other regulatory purposes related to this chapter,
29 including, but not limited to, enforcement efforts related to illegal
30 Internet gambling activities.

31 19782. (a) Prior to operating its authorized Internet Web site,
32 a licensed operator shall remit to the Treasurer a one-time license
33 fee in the amount of ____ (\$____), to be deposited into the General
34 Fund and credited against charges imposed pursuant to subdivision

35 (b). Upon depletion of the license fee balance, the department shall
36 notify the licensed operator to commence quarterly payments to
37 the state in accordance with subdivision (b).

38 (b) In consideration of the substantial value of each license, a
39 licensed operator shall remit to the Treasurer on a quarterly basis
40 for deposit in the General Fund an amount equal to ____ percent

1 of its gross income that is attributable to the operation of an
2 authorized Internet Web site in California.

3 (1) Each quarterly payment shall be due on the 10th day of the
4 month following the end of each quarter.

5 (2) A licensed operator shall make all electronic and written
6 financial records available to the Treasurer and the department on
7 an electronic basis.

8

9

Article 5. Preemption of Local Regulation

10

11 19790. A city, county, or city and county shall not regulate,
12 tax, or enter into a contract with respect to any matter governed
13 by this chapter. This section does not prohibit or limit the
14 investigation and prosecution of any violation of this chapter.

15 SEC. 2. Section 337a of the Penal Code is amended to read:

16

17 337a. (a) Except as provided in Section 336.9 and as authorized
18 pursuant to Chapter 4.7 (commencing with Section 19750) of
19 Division 8 of the Business and Professions Code, every person
20 who engages in one of the following offenses shall be punished
21 for a first offense by imprisonment in a county jail for a period of
22 not more than one year or in the state prison, or by a fine not to
23 exceed five thousand dollars (\$5,000), or by both imprisonment
24 and fine:

24

(1) Pool selling or bookmaking, with or without writing, at any
25 time or place.

26

(2) Whether for gain, hire, reward, or gratuitously, or otherwise,
27 keeps or occupies, for any period of time whatsoever, any room,
28 shed, tenement, tent, booth, building, float, vessel, place, stand or
29 enclosure, of any kind, or any part thereof, with a book or books,
30 paper or papers, apparatus, device or paraphernalia, for the purpose
31 of recording or registering any bet or bets, any purported bet or
32 bets, wager or wagers, any purported wager or wagers, selling
33 pools, or purported pools, upon the result, or purported result, of
34 any trial, purported trial, contest, or purported contest, of skill,
35 speed or power of endurance of person or animal, or between
36 persons, animals, or mechanical apparatus, or upon the result, or
37 purported result, of any lot, chance, casualty, unknown or
38 contingent event whatsoever.

39

(3) Whether for gain, hire, reward, or gratuitously, or otherwise,
40 receives, holds, or forwards, or purports or pretends to receive,

1 hold, or forward, in any manner whatsoever, any money, thing or
2 consideration of value, or the equivalent or memorandum thereof,
3 staked, pledged, bet or wagered, or to be staked, pledged, bet or
4 wagered, or offered for the purpose of being staked, pledged, bet
5 or wagered, upon the result, or purported result, of any trial, or
6 purported trial, or contest, or purported contest, of skill, speed, or
7 power of endurance of person or animal, or between persons,
8 animals, or mechanical apparatus, or upon the result, or purported
9 result, of any lot, chance, casualty, unknown or contingent event
10 whatsoever.

11 (4) Whether for gain, hire, reward, or gratuitously, or otherwise,
12 at any time or place, records, or registers any bet or bets, wager
13 or wagers, upon the result, or purported result, of any trial, or
14 purported trial, or contest, or purported contest, of skill, speed, or
15 power of endurance of person or animal, or between persons,
16 animals, or mechanical apparatus, or upon the result, or purported
17 result, of any lot, chance, casualty, unknown or contingent event
18 whatsoever.

19 (5) Being the owner, lessee or occupant of any room, shed,
20 tenement, tent, booth, building, float, vessel, place, stand, enclosure
21 or grounds, or any part thereof, whether for gain, hire, reward, or
22 gratuitously, or otherwise, permits that space to be used or occupied
23 for any purpose, or in any manner prohibited by paragraph (1),
24 (2), (3), or (4).

25 (6) Lays, makes, offers or accepts any bet or bets, or wager or
26 wagers, upon the result, or purported result, of any trial, or
27 purported trial, or contest, or purported contest, of skill, speed or
28 power of endurance of person or animal, or between persons,
29 animals, or mechanical apparatus.

30 (b) In any accusatory pleading charging a violation of this
31 section, if the defendant has been once previously convicted of a
32 violation of any subdivision of this section, the previous conviction
33 shall be charged in the accusatory pleading, and, if the previous
34 conviction is found to be true by the jury, upon a jury trial, or by
35 the court, upon a court trial, or is admitted by the defendant, the
36 defendant shall, if he or she is not imprisoned in the state prison,
37 be imprisoned in the county jail for a period of not more than one
38 year and pay a fine of not less than one thousand dollars (\$1,000)
39 and not to exceed ten thousand dollars (\$10,000). Nothing in this
40 paragraph shall prohibit a court from placing a person subject to

1 this subdivision on probation. However, that person shall be
2 required to pay a fine of not less than one thousand dollars (\$1,000)
3 nor more than ten thousand dollars (\$10,000) or be imprisoned in
4 the county jail for a period of not more than one year, as a condition
5 thereof. In no event does the court have the power to absolve a
6 person convicted pursuant to this subdivision from either being
7 imprisoned or from paying a fine of not less than one thousand
8 dollars (\$1,000) and not more than ten thousand dollars (\$10,000).

9 (c) In any accusatory pleading charging a violation of this
10 section, if the defendant has been previously convicted two or
11 more times of a violation of any subdivision of this section, each
12 previous conviction shall be charged in the accusatory pleadings.
13 If two or more of the previous convictions are found to be true by
14 the jury, upon a jury trial, or by the court, upon a court trial, or are
15 admitted by the defendant, the defendant shall, if he or she is not
16 imprisoned in the state prison, be imprisoned in the county jail for
17 a period of not more than one year or pay a fine of not less than
18 one thousand dollars (\$1,000) nor more than fifteen thousand
19 dollars (\$15,000), or be punished by both imprisonment and fine.
20 Nothing in this paragraph shall prohibit a court from placing a
21 person subject to this subdivision on probation. However, that
22 person shall be required to pay a fine of not less than one thousand
23 dollars (\$1,000) nor more than fifteen thousand dollars (\$15,000),
24 or be imprisoned in the county jail for a period of not more than
25 one year as a condition thereof. In no event does the court have
26 the power to absolve a person convicted and subject to this
27 subdivision from either being imprisoned or from paying a fine of
28 not more than fifteen thousand dollars (\$15,000).

29 (d) Except where the existence of a previous conviction of any
30 subdivision of this section was not admitted or not found to be true
31 pursuant to this section, or the court finds that a prior conviction
32 was invalid, the court shall not strike or dismiss any prior
33 convictions alleged in the information or indictment.

34 (e) This section applies not only to persons who commit any of
35 the acts designated in paragraphs (1) to (6), inclusive, of
36 subdivision (a), as a business or occupation, but also applies to
37 every person who in a single instance engages in any one of the
38 acts specified in paragraphs (1) to (6), inclusive, of subdivision
39 (a).

1 SEC. 3. The Legislature finds and declares that Section 1 of
2 this act, which adds Section 19776 to the Business and Professions
3 Code, imposes a limitation on the public's right of access to the
4 meetings of public bodies or the writings of public officials and
5 agencies within the meaning of Section 3 of Article I of the
6 California Constitution. Pursuant to that constitutional provision,
7 the Legislature makes the following findings to demonstrate the
8 interest protected by this limitation and the need for protecting
9 that interest:

10 The limitations on the people's right of access set forth in this
11 ~~chapter~~ *act* are necessary to protect the privacy and integrity of
12 information submitted by registered players as well as the
13 proprietary information of the license applicants and licensed
14 operators.