

June 1, 2000

Stephen M. Hardy, Staff Director
Senate Committee on Governmental Organization
State Capitol, Room 2193
Sacramento, CA. 95814

RE: Opposition to AB 1429

Dear Mr. Hardy,

AB 1429 creates mini casinos out of California card clubs by attempting to legalize in statutory law the banking game of "Twenty One". To legalize banking games, as Indian Tribes have discovered, there must be a change to the California Constitution. Citizens may have voted for a card club in their local community, however they did not vote for a full service casino. This bill is an end run around the voice of the citizens and local governmental bodies, who deserve the opportunity to decide if they want full service casinos in their community.

In June of 1999, the California Supreme Court ruled on the *HERE v. Davis* case. This was the successful challenge to the Proposition 5, a statutory ballot measure, that included banked or house banked games. The Supreme Court held that:

A banking games is one in which any person or entity takes on all comers, paying all winners and collecting from all losers. Under the Supreme Court's analysis a player pool is a "bank" for the purposes of Pen. Code Section 330's prohibition against banking games, even though the house does not own the bank.

Further the Supreme Court held that:

Article 4 Section 19 (e) of the California Constitution elevated the Penal Code Section 330 to a constitutional level. Accordingly the Legislature may not authorize any game that would constitute casino gambling.

This bill flies in the face of a constitutional prohibition against casinos, and erodes the 125-year-old ban on banking games in the State of California. AB 1429 is a huge step towards full service casinos in a state that has no appointed or operational Gambling Control Commission. How can the Legislature expand gambling in California without the appropriate regulatory policy, leadership and oversight of such a Commission? Stand Up For California stands opposed to AB 1429.

Sincerely,

Cheryl Schmit
Co Director