

BILL NO. 30-0333

Thirtieth Legislature of the Virgin Islands

March 11, 2014

An Act amending title 32 Virgin Islands Code, chapter 21, article XIV as it relates to the Virgin Islands Internet Gaming and Internet Gambling Act

PROPOSED BY: Senator Nereida Rivera O'Reilly

1 *Be it enacted by the Legislature of the Virgin Islands:*

2 **SECTION 1.** Title 32, Virgin Islands Code, chapter 21, article XIV, is amended in
3 the following instances:

4 **(a)** Subarticle B, §610 is amended by adding subsection (d) to read:

5 “(d) In addition to the permit issuance and renewal fees, a Master Service
6 Provider and a Casino Licensee with an Internet Gaming Permit shall pay annually to
7 the Commission the sum of \$20,000. The annual fee collected under this subsection
8 must be used for compulsive gambling education and treatment in the Virgin Islands.
9 The Commission shall promulgate regulations for the administration of these funds.”

10 **(b)** Subarticle C, §613 is amended as follows:

1 (1) Subsection (a) is amended by striking “Casino Revenue Fund” and
2 inserting “Virgin Islands Bureau of Internal Revenue for deposit into the General
3 Fund” and after the phrase “subsection (b) herein” by inserting “From Fifty percent of
4 the taxes paid into the General Fund from Master Service Providers and Licensees
5 under this subsection, 80% of that amount must be appropriated exclusively to the
6 Virgin Islands Casino Control Commission, and the remaining 20% to the Virgin
7 Islands Department of Justice, Division of Gaming Enforcement for their operations”;

8 (2) Subsection (c) is amended after “Control” by inserting “Revolving”
9 and after “title” by adding “80%” of the fees collected pursuant to this subsection
10 must be appropriated to the Commission and 20% must be appropriated to the
11 Division of Gaming Enforcement”.

12 (c) Subarticle D, §617 is amended by striking “Virgin Islands Education Initiative
13 Fund established pursuant to title 33, Section 3093 of this Code” and inserting “Casino
14 Revenue Fund established under section 517 of this title to be used for gambling education
15 and gambling addiction treatment purposes” and by adding a sentence that reads: “The
16 Commission shall promulgate regulations for administering the funds under this section”.

17 (d) Subarticle G, § 635 is amended by inserting subsections (c), (d) and (e) to read
18 as follows:

19 “(c) Any person who knowingly tampers with software, computers, or other
20 equipment used to conduct Internet Gaming to alter the odds, or the payout of a game,
21 or disables the game from operating according to the rules of the game as
22 promulgated by the Commission, is guilty of a felony and subject to a term of
23 imprisonment of no more than two years, a fine of no more than \$50,000 for a natural
24 person, or \$200,000 for any entity, or both such imprisonment and fine. The penalties

1 prescribed in this subsection do not affect the prosecution of any other appropriate
2 disposition authorized by title 14 of this Code. In addition to the penalties provided in
3 this subsection,

4 (1) an employee of the Master Service Provider or Casino Licensee who
5 violates this subsection shall have his license revoked under section 631, or

6 (2) a Master Service Provider or Casino Licensee that violates this
7 subsection shall have its permit to conduct Internet Gaming revoked under section
8 631.

9 (d) Any person who knowingly offers or allows to be offered any Internet
10 Game that has been tampered with in a way that affects the odds or the payout of a
11 game, or disables the game from operating according to the rules of the game as
12 promulgated by the Commission, is guilty of a felony and subject to a term of
13 imprisonment of no more than two years, a fine of no more than \$50,000 for a natural
14 person, or \$200,000 for any entity, or both such imprisonment and fine. The penalties
15 prescribed in this subsection do not affect the prosecution of any other appropriate
16 disposition authorized by title 14 of this Code. In addition to the penalties provided in
17 this subsection ,

18 (1) an employee of the Master Service Provider or Casino
19 Licensee who knowingly violates this section shall have his license suspended
20 for a period of no less than 30 days under section 631, or

21 (2) a Master Service Provider or Casino Licensee that violates this
22 subsection shall have its permit to conduct Internet Gaming suspended for a
23 period of no less than 30 days.

1 (e) An organization or commercial enterprise, other than a Master Service
2 Provider, or Casino Licensee located in the Virgin Islands, or its Internet Gaming
3 affiliate that has been issued a permit to conduct Internet Gaming and has located all
4 of its equipment used to conduct Internet Gaming, including computers, servers,
5 monitoring rooms, and hubs, in the Virgin Islands, may not make its premises
6 available for placing wagers at casinos using the internet or advertise that its premises
7 may be used for such purpose. An organization or commercial enterprise that is
8 determined by the Commission to have violated the provisions of this subsection is
9 subject to a penalty of \$1,000 per player per day for making its premises available for
10 placing wagers through Master Service Providers, or its Internet Gaming Affiliates, or
11 Casino Licensee using the internet and a fine of \$10,000 per violation for advertising
12 that its premises may be used for such purpose.”

13 (e) Subarticle J, §646 is amended as follows:

14 (1) The first sentence of subsection (a) is amended by striking the clause
15 “There is hereby granted Master Service Provider to United States Virgin Islands
16 Technologies Initiative, LLP and St. Croix Internet Group, LLC, under the terms and”
17 and inserting “The Commission may issue up to five Master Service Provider
18 Licenses in the Virgin Islands. The Commission may not issue more than three
19 Master Service Provider licenses to land-based casinos licensed by the Commission.”;

20 (2) Subsection (c) is amended in :

21 (A) paragraph (2) after “work-study” by inserting “and
22 mentorship” and after “Virgin Islands” by inserting “in collaboration with the
23 University of the Virgin Islands”;

1 (B) paragraph (3), after “Program” by inserting “in partnership
2 with the University of the Virgin Islands”;

3 (C) paragraph (4) by striking “Education Initiative Fund
4 established pursuant to title 33, section 3093, Virgin Islands Code” and
5 inserting “Casino Revenue Revolving Fund, administered by the Virgin
6 Islands Casino Control Commission for gambling addiction programs,
7 education and treatment initiatives. The Commission shall promulgate
8 regulations to carry out the programs established pursuant to this section. The
9 Commission shall annually cause a report to be prepared and distributed to the
10 Governor and the Legislature on the impact of Internet Gaming on problem
11 gamblers and gambling addiction in the Virgin Islands.”; and

12 (D) paragraph (1) is stricken and the remaining paragraphs
13 renumbered accordingly.

14 (f) Subsection (m) is amended after “438” by inserting “or section 635”.

15 **BILL SUMMARY**

16 This bill amends title 32 Virgin Islands Code relating to internet gaming. Section 1
17 (a) establishes a \$20,000 annual fee for Master Service Providers and Licensees to be used
18 for compulsive gambling education and treatment. Section 1 (b) changes the requirement for
19 the Master Service Provider to pay its taxes to the Casino Revenue Fund. Instead, under
20 section 1 (b), taxes will be covered into the General Fund. Of the revenue allocated, 80%
21 will go to the Commission and 20% to the Division of Gaming Enforcement. Section 1 (c)
22 gives the Commission 80% of the Application fees, license fees, and renewal fees covered
23 into the Casino Control Revolving Fund and 20% to the Division of Gaming Enforcement.
24

25 Section 1 (d) establishes criminal penalties for tampering with software, computers
26 and other internet gaming equipment, offering internet games that have been tampered with
27 to affect the odds or payout, and unauthorized use of premises for internet gaming. These
28 crimes are designated as felonies.
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30 Section 1 (e) amends 32 V.I.C., chapter 21 §§ 613, 617, 635 646 relating to Internet
31 gambling. The subsection eliminates the requirement for the Service Provider to provide free

1 high speed Internet access to Virgin Islands public schools and provides that in addition to a
2 work study program, and the Master service provider must provide a mentoring program.
3

4 Section 1(e), rescinds the two current and exclusive Master Service Provider agreements
5 to United States Virgin Islands Technologies Initiative, LLP and St. Croix Internet Group,
6 LLC and granting the Commission the power to grant up to five Master Service Provider
7 Licenses with no more than three being issued to land-based casinos, by requiring the Master
8 Service Provider Licensee to offer mentorship in addition to work-study both in collaboration
9 with the University of the Virgin Islands, by requiring collaboration with the University of
10 the Virgin Islands for “Train the Teacher Program” for public school teachers, by requiring
11 funds required for the initiatives for gambling addiction programs, education and treatment
12 be deposited into the Casino Revenue Revolving Fund, instead of the Education Initiative
13 Fund, and be administered by the Virgin Islands Casino Control Commission, by striking
14 subsection (c)(1) which provided for free high speed Internet access to all United States
15 Virgin Islands public schools and by striking the second sentence of subsection (m) which
16 required the final approval from the Legislature prior to the granting of a Master Service
17 Provider Agreement to a new Master Service Provider.
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19 **BR13-1120/ November 25, 2013/ Reviewed by YLT**

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