

STATES OF JERSEY



MODERNISATION OF JERSEY'S GAMBLING LEGISLATION: GAMING DEVICES

**Lodged au Greffe on 22nd June 2004
by Senator E.P. Vibert**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

- (a) to agree, in principle, in conjunction with other steps to modernise Jersey's gambling legislation, that –
 - (i) hotels with over 50 rooms should be permitted to operate 'mini casinos' containing gaming devices with a stake not exceeding 50 pence and prizes not exceeding £1,000;
 - (ii) licensed premises holding Taverner's (1st category) and Entertainment (7th category) licences should be permitted to operate gaming devices with a stake not exceeding 50 pence and prizes not exceeding £500;
 - (iii) licensed sports and social clubs holding Club (5th category) licences should, subject to the agreement of members, be permitted to operate gaming devices with a stake not exceeding 50 pence and prizes not exceeding £1,000;

with the number of devices able to be installed in the above premises being decided by the Gaming Commission, and provided that the above proposals shall not be fully implemented until after a 6 month trial period during which only 6 sites (2 for each of the 3 categories of premises referred to in sub-paragraphs (i) to (iii) above) will be licensed, to enable the Economic Development Committee to assess the financial viability of the proposals;

- (b) to agree that the Economic Development Committee, in consultation with the Finance and Economics Committee, should undertake research on the feasibility of establishing a company wholly owned by the States to purchase and operate all gaming devices referred to in paragraph (a) above, and report its conclusions to the States.

SENATOR E.P. VIBERT

REPORT

I am bringing forward these proposals in parallel with the proposition of the Economic Development Committee on the Modernisation of Jersey's gambling Legislation (P.62/2004) and my amendments to that proposition. I view this proposition and the proposition of the Economic Development Committee very much as one 'package' even though, for procedural reasons, I am bringing these proposals as a standalone proposition. I will be inviting the States to consider this proposition immediately after the proposition of the Economic Development Committee.

Paragraph (a)(i)

This proposal will allow "entertainment gaming" to be permitted in hotels in Jersey with more than 50 rooms. All of these devices are electronic and will have a maximum stake of 50p with a maximum win of £1,000 and a payback to the player of no less than 87%. The number of devices licensed will be decided by the Commission and be based on space requirements and the number of hotel rooms. This will enable hotels to develop another revenue stream to help their profitability and provide their customers with a new dimension to their holiday, by providing them with an attractive and popular form of entertainment. This form of gambling is usually available on cruise liners and is considered a first class amenity for guests. It will also offset any loss that may happen as a result of the casino being licensed. The great value to the hotels and to the States is that the machines require very few staff to supervise and all actions of the machine are electronically recorded, making it easy to institute strict controls.

Paragraph (a)(ii)

This proposal will allow pubs and nightclubs to install gaming machines with a maximum stake of 50p and a maximum win of £500 with a minimum player-return of 87%, the number to be decided by the Commission based on space and player volume. The purpose of this proposal is to allow pubs and night clubs to operate gaming devices if they wish to do so. Machines with these kinds of limitations are very much at the lower end of the gaming scale and are entertainment machines, with a chance of winning a financial prize.

Paragraph (a)(iii)

This proposal will allow sports and social clubs such as the Jersey Rugby Club and the Jersey Aero Club to operate machines in the same category (a)(i) as hotels. An important condition is that this can only be achieved after a decision of members has been made to approve this at a general meeting of the club. Numbers to be approved by the Commission are to be based on volume of play and space available.

Paragraph (a) also contains a proviso that the proposals in the sub-paragraphs (a)(i),(ii) and (iii) cannot be implemented until after a 6 month trial period, 2 from each category, to enable the Economic Development Committee to assess the financial viability of the proposals.

Paragraph (b)

This proposal will enable the Economic Development Committee, in consultation with the Finance and Economics Committee, to undertake research on the feasibility of establishing a company wholly owned by the States to purchase and operate all gaming devices referred to in paragraph (a) above and report its conclusions and recommendations to the States.

By allowing only machines owned and operated by a company wholly owned by the States to operate, the maximum control is exercised on their operation and profits on behalf of the people of Jersey are maximised. As well as taxation and licence fees, the people of Jersey will enjoy the profits which an operating company would make with minimal investment and maximum profit. The trial period previously mentioned will be an important element of this proposal.

Financial and manpower implications

Whilst these amendments will require certain extra staffing there would be no financial implications for the States as the costs would be recovered from levies and fees charged by the Commission.