

1950

LEGALIZING AND LICENSING GAMBLING

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For keeping government, especially the appropriations of state money, close to the people and for guaranteeing more state-wide representation

on boards dealing with allocation of state funds, I urge a "YES" vote on S. C. A. No. 30.
JESSE M. MAYO
 State Senator, 26th District

6 LEGALIZING AND LICENSING GAMBLING. Initiative Constitutional Amendment. Adds Article XXXII to Constitution. Permits wagering and gambling in licensed establishments. Creates five-man state commission empowered to license and supervise pari-mutuel betting at tracks, off-track bookmaking, wagering on athletic and skill contests, and gambling games and devices. Authorizes commission to operate or license gaming, lotteries, etc. Imposes percentage taxes on money wagered, revenue to be deposited in pension and welfare fund for payment of aged and blind aid allowances. Names first members of commission, future members to be elected. Continues licensing authority of Horse Racing Board.

YES	
NO	

(For full text of measure, see page 3, Part II)

Analysis by the Legislative Counsel

This constitutional amendment declares its purpose to be to raise money to pay the cost of retirement pay, old age and blind pensions and welfare. For this purpose it will legalize, regulate, and tax bookmaking, wagering and gambling in licensed establishments (Secs. 1, 2).

Provides that all persons making or accepting any wagers or wagering or playing for money or other representative of value, except wagers on horse races made within the enclosure where the race is held in compliance with the California Horse Racing Law as it stood on the first day of January, 1949, are subject to the wagering fees and taxes which are imposed by the article, and requires all such fees and taxes to be collected by the Pension and Welfare Funding Commission placed in the Pension and Welfare Fund in State Treasury (Secs. 3, 6).

Creates the Pension and Welfare Funding Commission to consist of five commissioners. The first five commissioners are named by the article, two of whom serve until November, 1954, and three until November, 1956. Their successors are to be elected for six-year terms on a nonpartisan basis. Each commissioner will receive a salary of \$10,000 per year and travel expenses (Sec. 4).

The naming of the first commissioners is stated to be exempt from any constitutional amendment or court ruling which would make such naming unconstitutional. If, however, for any reason it becomes or is declared unconstitutional to so name the first members, then the Governor must appoint the first members of the commission to serve until the next general election (Sec. 14). The commissioners are made subject to recall (Sec. 4).

The commission must appoint a general secretary who is not a member of the commission to serve at the pleasure of, and whose salary is to be fixed by, the commission. The secretary must keep records of proceedings of the commission, preserve its books and papers, and perform such other duties as the commission may prescribe. He may, under the direction of the commission, issue subpoenas for the attendance of witnesses before the commission and may administer oaths. Disobedience of a subpoena and false swearing before the secretary is made punishable the same as if such had occurred in an action in a superior court (Sec. 5).

Authorizes the commission to establish a principal and various branch offices and to select and whatever employees, counsel, and other aids seems necessary; define their duties; fix their compensation; require bonds; adopt rules and regulations. The Administrative Procedure Act is made a part of the rules of the commission, sub-

ject to such changes therein as the commission may make for its own use (Sec. 6).

Monthly operating statements must be published by the commission not later than the thirtieth day of each month. The Governor must name a person or department to audit the books and accounts of the commission without prior notice four times each year (Sec. 7).

Out of money collected by the commission and placed in the Pension and Welfare Fund as provided in the article, the State Treasurer must once each month make available to the person or officer of the State charged with the duty of paying old age and blind pensions, aid or security allowances all money required to make such payments and to pay the cost of administration of the payments (Sec. 2).

All money necessary to conduct the affairs and duties of the commission, including salaries, is to be paid out of the Pension and Welfare Fund. The total costs of administration may not exceed 5 percent of the amount of the license fees and taxes collected by the commission (Sec. 6).

If the money in the Pension and Welfare Fund on the first day of any month is insufficient to cover all the payments to the aged and blind and costs of administration of the payments and of the commission, then the deficit must be paid out of the General Fund in the State Treasury. Should the amounts collected by the commission exceed the amounts required to make the above payments, the excess must be placed in the Pension and Welfare Fund Reserve Fund to be used to repay the General Fund if the reserves exceed an amount estimated by the commission to be sufficient to pay all old age and blind payments and costs of administration for a six months' period (Sec. 2).

Appropriates not to exceed \$6,000,000 from the General Fund to the commission to pay its initial costs. Requires this money to be repaid to the General Fund within two years from the Pension and Welfare Reserve Fund (Sec. 7).

Except for racing establishments licensed under the California Horse Racing Law as it stood the first day of January, 1949, the commission is given jurisdiction to license and supervise all establishments, places of business, persons and things having to do with (a) wagering on the results of races, games or other contests or trials of skill, speed or endurance of man or beast, (b) wagering or play for money on the results of games of chance or skill of any sort or description, (c) the ownership, possession, or operation of any game of any sort or description, upon the operation or result of which or by means of which there is wagering, gaming, or play for money or other representative of value (Sec. 8).

Authorizes the commission to install and maintain or cause to be installed or maintained at any horse race or other event, whether licensed by the horse racing board or by the commission, whatever pari-mutuel or other equipment it deems desirable to report the odds, prices and description of all races to all off-track wagering offices licensed by the commission, and requires each licensee to tally all off-track pari-mutuel wagers through the totalizator which he operates, so that the odds quoted and paid on each horse at each off-track wagering office and at each race track shall be the same (Sec. 8).

Requires the commission to establish a central totalizator licensee to compute all pari-mutuel wagers on races or events occurring outside the State or on unlicensed events occurring within the State to the end that the combined total of all such wagers made in this State on any such race or event will determine the winnings. The central totalizator licensee would operate solely as a "totalizator service" and pari-mutuel licensees would pay the central totalizator licensee one-half percent of all money so wagered (Sec. 8).

Requires that all pari-mutuel wagering licensed by the California Horse Racing Board as well as all pari-mutuel or other wagering licensed by the commission be carried on in compliance with rules of the commission and subject to examination and audit by the commission (Sec. 8).

Prescribes four classes of licenses to be issued by the commission plus such other types as the commission deems applicable. A license may not be issued to operate a gambling establishment less than 600 feet from a church or school, and only where the carrying on of other forms of business is lawful (Sec. 8).

A class "A" license issued by the commission will entitle the licensee (a) to conduct races or other events approved by the commission at a place or enclosure approved by the commission and complying with prevailing sanitary and safety laws; (b) to conduct pari-mutuel wagering on the events within such enclosures. The wagering can be only by the use of ticket vending machines and a totalizator or calculating equipment approved by the commission. From each dollar wagered under a class "A" license, the licensee shall deduct 13 cents, 5 cents of which is to be pension tax and paid to the commission, and 8 cents of which will be retained by the licensee (Sec. 9).

A class "B" license will entitle the licensee to carry on pari-mutuel type wagering at a place other than where races or other events are conducted, and require the use of ticket vending machines, accounting systems and equipment approved by the commission. From each dollar wagered under class "B" license, the licensee shall deduct 13 cents, 5 cents of which he will retain, 7½ cents of which will be pension tax to be paid to the commission, and one-half cent is to be paid by the licensee to the establishment conducting the event, or to the central totalizator licensee if the event occurred outside the State (Sec. 9).

A class "C" license will entitle the licensee to carry on other than pari-mutuel wagering at a place other than where races or other events are conducted. Tickets, ticket and money accounting systems and equipment used must be as required or approved by the commission. Seven and one-half cents is to be deducted from each dollar wagered as pension tax, and one-half cent is to be deducted and paid to the licensee conducting the event (Sec. 9).

The total number of class "B" and "C" licenses to be issued must include a minimum of

one in each county. For the whole State, the total number of class "B" and "C" licenses must not exceed the proportion of six to each Assembly district, except for special resort licenses issued for periods not exceeding six consecutive months (Sec. 9).

A class "D" license will be for not less than 100 games of the coin-operated machine type. Every device played for money or value and operated by a piece of money, token, disk, slug, ball or other implement is a class "D" game. Each such game must comply with regulations of the commission and can be installed only in locations approved by the commission. Each game must have a meter to tally each coin played, be set to return to players not less than 70 percent nor more than 90 percent of the coins played, be sealed by the commission, and be opened for the removal of coins only in the presence of the licensee and a commission auditor. The license must specify for each game what percentage it shall return to the players, and the commission must assign each game a number to be permanently affixed to the game indicating the percentage to be returned to the players (Sec. 9).

A class "D" licensee must pay a fee of \$5 each year for each game possessed, and must pay one-third of the coins collected by each machine to the commission as pension tax, one-third to the establishment where the game is located, and retain one-third (Sec. 9).

Authorizes the commission to operate or license gaming, lotteries, raffles and machines under the same or similar fees, conditions, rules and regulations that apply to games and wagering for which licenses are prescribed in the article (Sec. 11).

In the case of a church, benevolent or other organization licensed under the article, all except \$1 of the tax or fee payable shall be waived by the commission, upon a showing of facts, that the licensee is applying all of the proceeds of the licensed operation to church, charity, benevolent or public welfare purposes; but the tax or fee must be collected in full if the operation is conducted for the church or other organization by a person or corporation for compensation (Sec. 11).

Applications for licenses must show the applicant's full name and residence address; that the applicant has been an elector of this State for two years; the full names and residence of each partner or associate and that each has been an elector of the State for two years; in the case of a corporation that the corporation is chartered in this State, and the full names and residence addresses of the principal officers, and that the president or general manager has been an elector for two years. A surety bond in the sum of \$10,000, or a sum which the commission shall estimate as sufficient to guarantee the payment of wagers and taxes, is required to obtain a license (Sec. 10).

A license is not transferable, and no person or corporation may be licensed to operate in more than three locations during the same period of time. No other license or permit and no excise tax, fee or other tax condition other than provided by the article may be levied by the State, county, city or other political subdivision upon the licensee (Sec. 10).

Licenses are subject to revocation or suspension by the commission in any case where it has reason to believe that any condition of the license has not been complied with or that a federal or state law has been violated. The decision of the commission is final, except that the propriety of such action is subject to review by the courts upon questions of law, and a licensee

whose license has been revoked may not receive a new license for a period of two years thereafter (Sec. 10).

Each employee of a licensee must carry on his person at all times an identification permit or badge issued by the commission, which contains the full name and residence address of the employee, and no permit or badge will be issued to any such employee who is not a qualified voter in the State (Sec. 12).

Any person, either as owner, lessee, agent, employer or employee operating any establishment for any form of gaming, or who operates or permits to be operated any device having to do with wagering or play for money without holding a license, is guilty of a felony and punishable by imprisonment for not less than one nor more than five years (Sec. 13).

Any person under 21 years of age loitering about the premises of a licensee, or who wagers or plays any game operated by the licensee, would be subject to removal from the premises and be guilty of a misdemeanor. Any licensee or employee of a licensee who knowingly permits any person under 21 years of age to loiter about, or to wager, or play any game licensed by the commission, is subject to written warning from the commission, and upon repetition of the offense the license may be suspended for three months or revoked (Sec. 13).

Until serially numbered tickets, vending machines, totalizers, computing equipment, and other suitable equipment contemplated by the article, can be procured and installed, the commission is authorized to issue temporary licenses, subject to such fees, rules and regulations as the commission shall prescribe (Sec. 13).

The article is self-executing, repeals any conflicting provisions of the Constitution, contains provisions and rules of construction, and provides that if any part or the application of any part to any person is held invalid by a court such part or the application thereof to other persons shall not be affected thereby (Sec. 14).

Argument in Favor of Initiative Proposition No. 6

Vote "YES." Here is your opportunity to reduce your taxes at least 25 percent, and make business better. This amendment will raise all the money needed to pay the entire cost of old age and blind pensions, by taxing gambling. The tax revenue thus derived will remove the entire present burden thereof from the back of every taxpayer.

California has thousands of untaxed bookmakers and gambling establishments.

Homeowners and legitimate businessmen are taxed to the limit, but bookmakers and gamblers are "above the law" and operate without paying taxes.

Proposition No. 6 compels bookmakers and gamblers to pay taxes like everybody else. It places all gambling under strict state regulation. It is estimated that at least \$300,000,000 (three hundred million dollars) of gambling tax money will flow into the State Treasury to pay old age and blind pension costs.

This measure CUTS the present thousands of bookmakers and gambling parlors to a maximum of 480 licensed operators in the entire State. It will end "grandstand" police raids which get newspaper headlines by jailing decent citizens who occasionally play poker at home or bingo church socials, American Legion halls or Elks clubs. It will permit slot machines only in locations not frequented by juveniles.

It is a fact that EVERY law ever designed to end gambling has broken down—failed.

Proposition No. 6 is a GOOD law—with teeth in it. It will regulate gambling and keep it in its place. Naturally the thousands of bookmakers who enrich themselves through unlawful pursuits oppose this bill. So do big Nevada interests whose thousands of California patrons take their money to Nevada to play. Add to these the big California race track owners and the syndicated gambling interests who strive to preserve their lush monopoly. These interests do not want this amendment adopted, so they've tried to confuse the voters by a lot of ambiguous arguments.

Proposition No. 6 controls and keeps the control of gambling in the hands of the people. The commission charged with administering this law is responsible to the people, just as the State Board of Equalization which administers liquor control and taxes is responsible to the people. The people reserve the power to vote them in or out of office. This provision of the amendment has brought on the enmity of powerful interests who do not want a commission elected by the people. They prefer a "politically appointed" commission which they could "take over."

It is as though on a stage before you stand two groups asking for your vote. On one side of the stage stand the thug, the gambler, the racketeer and the payoff politician. They ask you to vote "NO."

On the other side of the stage asking you to vote "YES," stand the old folks, the pension groups, the overburdened taxpayers of California and all decent-minded citizens who want to stop corrupt payoffs and who desire better law enforcement and good government.

All you have to do is vote with your friends.

ROY G. OWENS

Vice President, Pension and Tax-

payers Union, Inc.

GLEN S. WILSON

Former Townsend Plan National

Field Representative

AARON SAPIRO

Attorney at Law

Argument Against Initiative Proposition No. 6

For California's welfare, for the security of your home, your children, your schools and your government, vote NO on Proposition No. 6.

At a time when the entire country is aroused over the growing power of nation-wide crime syndicates, when the prevalence of racketeering has become a national scandal, California is asked, by glib promoters, to adopt a constitutional amendment that would encourage big-time crime, civic corruption and juvenile delinquency and make law enforcement tremendously more difficult.

Deceptively titled "Pension and Welfare Funding Act," Proposition No. 6 would in no way improve the status of pension recipients nor change requirements for qualification.

Actually, Proposition No. 6 is a sordid scheme to license every known form of gambling, and create a vastly profitable gambling empire under the absolute control of five promoters who brazenly name themselves—in the act—as Gambling Commissioners! The Commission is not subject to control by either the Governor or the Legislature.

Proposition No. 6 would give these self-appointed gambling czars the power to license all types of gambling all over the State—including gambling on the results of high school and college sports. It exempts gamblers from all excise and other tax conditions.

Without restrictions of any existing law, or any future act of the Legislature, the five-man

gambling commission could set up race tracks for dogs or horses in any number at any place in the State to operate 365 days of the year! It would have the power to dictate to every gambling licensee the exact type of gambling machine he must use in his establishment.

Finally, Proposition No. 6 would give the five Gambling Czars—who name themselves in the act—the power to operate their own gambling establishments—to create a state-wide gambling monopoly under their personal control! Far from “guaranteeing” pension payments—Proposition No. 6 actually would give its promoters a blank check on the State Treasury to cover any deficits that might result from their operations. Just to get them started, the five-man commission would be handed \$6,000,000 from the State Treasury!

So absolute would be the powers vested in this five-man commission that people playing friendly games of bridge, poker or canasta for small stakes at home would have to secure licenses or face the threat of jail sentences!

The unfortunate experience of other states and communities that have attempted to curb gam-

bling abuses by licensing has shown conclusively that serious crime rackets have mushroomed when professional gambling was sanctioned.

The eyes of the underworld are on California. If Proposition No. 6 is enacted, only disaster result—big-time gangsterism, rampant crime every description, civic corruption on an unprecedented scale, and a running, bloody warfare for control of the gangland rackets.

Keep the crime rackets out! Keep California a place where Californians will continue to be proud and happy to live.

Vote NO on 6!

FRANCIS V. KEESLING, SR.
Chairman, Californians Against the
Gambling Combine

MRS. EDWARD T. WALKER
President, California Congress of
Parents and Teachers

MRS. CHALMERS MCGAUGHEY
Chairman, Southern California Citi-
zens Committee

CHIROPRACTORS. Amendment of Initiative Act. Adds Section 8.1 to Chiropractic Act. Provides that no blind person shall be denied admission to or graduation from chiropractic school, or be barred from state chiropractic examination or license, on ground that he is blind.

YES

NO

(For full text of measure, see page 7, Part II)

Analysis by the Legislative Counsel

This measure provides that no blind person shall be denied admission into any college or school of chiropractic or denied the right to take any examination given by such school or college, or denied a diploma or certificate of graduation or a degree, or denied admission into any examination for a state license or denied a regular license to practice chiropractic, on the ground that he is blind. The measure would so provide by adding a new section to the Chiropractic Initiative Act of 1922 which provided for the organization of the Board of Chiropractic Examiners and for certain educational and licensing requirements for the practice of chiropractic in this State.

Except in certain cases otherwise provided for by law, an applicant for a license to practice chiropractic must be a graduate of a chiropractic school or college approved by the Board of Chiropractic Examiners (Act of 1922, Sec. 5; Statutes 1947, Ch. 151, Sec. 3). The board has adopted a rule that no student shall be enrolled in an approved school unless he has at least 50 percent vision and hearing and is without a major physical defect (Title 16, California Administrative Code, Sec. 337, subds. (b) (c)). The validity of this rule was sustained in the case of *Hunt v. Board of Chiropractic Examiners*, 87 Cal. App. 2d 98, where the court held that the rule was within the authority conferred on the board by the Chiropractic Initiative Act of 1922.

The new section proposed by the present measure would remove blindness as a ground for refusing admission to or graduation from a school or college of chiropractic or for refusing a state license to practice chiropractic, and would invalidate the board's present rule insofar as it requires a person to possess at least 50 percent vision to be eligible to enter an approved school or college of chiropractic.

Argument in Favor of Amendment of Initiative Act

The blind of California through their state-wide organization, the California Council for the

Blind, respectfully petition all voters to vote "YES" on this measure.

In California we have many blind persons successfully practicing chiropractic.

The unusual development of the blind man's sense of touch renders him particularly fit for the practice of chiropractic.

Your "YES" vote will protect the blind from unfair and illegal discrimination.

Your "YES" vote will guarantee qualified blind students the right of admission into chiropractic colleges and state examinations for license to practice their profession.

The blind ask for no concessions. They ask only for the opportunity of earning an honest living on the same basis as that enjoyed by those who possess eyesight.

The bill here submitted for your approval was passed overwhelmingly by both houses of the Legislature and signed by the Governor.

The people of California have often shown their friendship for the blind and this encourages us, the blind, to hope that you will vote "YES."

ERNEST C. CROWLEY
Member of the Assembly, 5th District

DR. NEWEL PERRY
President, California Council for the Blind;
Formerly, Instructor of Mathematics in
the University of California; Emeritus
Director, Higher Education of the Blind,
California School for the Blind

Argument Against Amendment of Initiative Act

Against: Because it is highly important for a chiropractor to be able to judge by sight as to the condition of his patients and to gauge carefully thereby what amount of force and pressure a given person's body safely can withstand, for otherwise, serious injury easily may be caused through the applying of undue force or pressure it is urged that a "NO" vote be cast on proposition.

WALTER W. STRONG
Former Commissioner of Health

4	ELIGIBILITY TO VOTE. Assembly Constitutional Amendment No. 12. Amends Section 1 of Article II of Constitution. Preserves voting eligibility of registered electors who move from one California county to another within 90 days prior to an election, by permitting such persons to vote in former county.	YES	
		NO	

(This proposed amendment expressly amends an existing section of the Constitution, therefore, **NEW PROVISIONS** proposed to be **INSERTED** are printed in **BLACK-FACED TYPE**.)

PROPOSED AMENDMENT TO THE CONSTITUTION

SECTION 1. Every native citizen of the United States of America, every person who shall have acquired the rights of citizenship under and by virtue of the Treaty of Queretaro, and every naturalized citizen thereof, who shall have become such ninety days prior to any election, of the age of 21 years, who shall have been a resident of the State one year next preceding the day of the election, and of the county in which he or she claims his or her vote ninety days, and in the election precinct fifty-four days, shall be entitled to vote at all elections which are now or may hereafter be authorized by law; provided, any person duly registered as an elector in one precinct and removing therefrom to another precinct in the same county within fifty-four days, or any person duly registered as an elector in any county in California and removing therefrom to another county in California within ninety

days prior to an election, shall for the purpose of such election be deemed to be a resident and qualified elector of the precinct or county from which he so removed until after such election; provided, further, no alien ineligible to citizenship, no idiot, no insane person, no person convicted of any infamous crime, no person hereafter convicted of the embezzlement or misappropriation of public money, and no person who shall not be able to read the Constitution in the English language and write his or her name, shall ever exercise the privileges of an elector in this State; provided, that the provisions of this amendment relative to an educational qualification shall not apply to any person prevented by a physical disability from complying with its requisitions, nor to any person who had the right to vote on October 10, 1911, nor to any person who was sixty years of age and upwards on October 10, 1911; provided, further, that the Legislature may, by general law, provide for the casting of votes by duly registered voters who expect to be absent from their respective precincts or unable to vote therein, by reason of physical disability, on the day on which any election is held.

5	LEGISLATORS. Senate Constitutional Amendment No. 30. Amends Section 19 of Article IV of Constitution. Permits Members of Legislature to hold office and serve as members of boards or commissions created to apportion or allocate state funds to other state or local agencies.	YES	
		NO	

(This proposed amendment expressly amends an existing section of the Constitution, therefore, **NEW PROVISIONS** proposed to be **INSERTED** are printed in **BLACK-FACED TYPE**.)

PROPOSED AMENDMENT TO THE CONSTITUTION

SEC. 19. No Senator or Member of Assembly shall, during the term for which he shall have been elected, hold or

accept any office, trust, or employment under this State; provided, that this provision shall not apply to any office filled by election by the people. **Notwithstanding any provisions of this Constitution to the contrary, a Senator or Member of the Assembly may, during the term for which he has been elected, hold office and serve as a member of a board or commission created to apportion or allocate state funds to other state or local agencies.**

6	LEGALIZING AND LICENSING GAMBLING. Initiative Constitutional Amendment. Adds Article XXXII to Constitution. Permits wagering and gambling in licensed establishments. Creates five-man state commission empowered to license and supervise pari-mutuel betting at tracks, off-track bookmaking, wagering on athletic and skill contests, and gambling games and devices. Authorizes commission to operate or license gaming, lotteries, etc. Imposes percentage taxes on money wagered, revenue to be deposited in pension and welfare fund for payment of aged and blind aid allowances. Names first members of commission, future members to be elected. Continues licensing authority of Horse Racing Board.	YES	
		NO	

(This proposed amendment does not expressly amend any existing section of the Constitution, but adds a new article thereto; therefore, the provisions thereof are printed in **BLACK-FACED TYPE** to indicate that they are **NEW**.)

PROPOSED AMENDMENT TO THE CONSTITUTION

PENSION AND WELFARE FUNDING ACT

ARTICLE XXXII

Sec. 1. The purpose of this article is to raise money pay the cost of retirement pay, old age and blind pensions and welfare, and to relieve the taxpayer of all or a part of the ever-increasing burden thereof, by licensing, taxing,

regulating and rigidly controlling off-track bookmaking and gambling.

This article shall be cited as the Pension and Welfare Funding Act.

Sec. 2. All money required to pay all old age and blind pensions, aid or security allowances and the administration thereof provided by law or that may be provided hereafter shall be the money which shall be collected by the pension and welfare funding commission as hereinafter provided and placed in the pension and welfare fund in the state treasury. Out of the pension and welfare fund the treasurer shall once each month make available to that person or officer of the state who is or may be charged with the duty of paying old age and blind pensions, aid or security allowances, all money

required by such persons or officer to make all of the above mentioned payments and to pay the costs of the administration thereof. Should the amounts herein provided to be collected and placed in the pension and welfare fund exceed the amounts required to make all of the above mentioned payments, the cost of administering said payments, and the costs of conducting the affairs of the pension and welfare funding commission as hereinafter provided, the excess shall be allowed to accumulate as the pension and welfare fund reserve fund. Should the money in the pension and welfare fund upon the first day of any month be less than a total sufficient to make all of the above mentioned payments, then such deficit amounts, which when added to the money on hand in the pension and welfare fund will be sufficient to make all of the above mentioned payments, shall be paid out of the general fund in the state treasury and such amounts are hereby appropriated; any and all deficit amounts so appropriated out of the general fund shall be immediately repaid to the general fund out of the pension and welfare fund reserve fund when said reserves shall exceed the amount estimated by the pension and welfare funding commission to be sufficient to pay all said payments and costs of administration or other amounts as herein provided for a six months period.

Sec. 3. Every person who shall make or accept any wager or who shall wager or play for money or other representative of value, except wagers on horse races made within the enclosure where said race is held in compliance with the California Horse Racing Law as it stood at the first day of January 1949, is subject to certain herein prescribed wagering fees and taxes which shall be for the purpose of this article and for no other purpose; and all such fees and taxes shall be collected by the pension and welfare funding commission and placed in the pension and welfare fund in the state treasury.

Sec. 4. There is hereby created the Pension and Welfare Funding Commission herein designated the "commission".

The commission consists of five commissioners; whose offices shall be non-partisan offices; whose terms of office shall be six years; who shall be elected by the qualified electors of the state; who are hereby directed and empowered to carry out fully and effectually all of the purposes and provisions of this article.

The first five commissioners shall be Nathan T. Porter, who resides at 1429 West 81st St., Los Angeles; and Cliff Kallam, who resides at Cupertino, Santa Clara County; whose terms of office shall commence at the date of the adoption of this article and continue until the general election due to be held in November 1954 or until their successors have been elected and qualified; and Glen S. Wilson, who resides at 7341 Romaine Ave., Los Angeles; Willis Allen, who resides at 634 North Cherokee Ave., Los Angeles; and Roy G. Owens, who resides at 716 1/2 North Kingsley Ave., Los Angeles; whose terms of office shall commence at the date of the adoption of this article and continue until the general election due to be held in November 1956 or until their successors have been elected and qualified. At each general election thereafter commissioners shall be elected to succeed the commissioners whose terms expire.

The procedure for election of commissioners shall be the same as for other non-partisan state officers and commissioners shall be subject to recall the same as other elective officers under the constitution. Vacancies shall be filled by qualified persons appointed by the commission for the unexpired term. Three commissioners shall constitute a quorum for the transaction of business. Commissioners shall each receive a salary of \$10,000 per annum and in addition shall receive necessary travel expenses.

Sec. 5. The commission shall appoint a general secretary who shall not be a member of the commission; who shall

serve at the pleasure of the commission; whose salary shall be fixed by the commission; who shall be placed under bond, the cost of the bond to be paid by the commission. The secretary shall keep a full and true record of all proceedings of the commission; preserve at the principal office all books, documents and papers of the commission; prepare for service such notices and other papers as may be required of him by the commission; and perform such other duties as the commission may prescribe.

The secretary may, under the direction of the commission, issue subpoenas for the attendance of witnesses before the commission with the same effect as if they were issued under or in accordance with provisions of Part 4, Title 3, Chapter 2 of the Code of Civil Procedure, and may under the direction of the commission administer oaths in all matters pertaining to the duties of his office or connected with the administration of the affairs of the commission. Disobedience of a subpoena issued by the secretary and false swearing before the secretary shall be attended by the same consequences and shall be subject to the same penalties as if such disobedience or false swearing occurred in an action in the superior court.

Sec. 6. All money required to pay the whole cost of conducting the affairs of the commission including the salaries of the commissioners, secretary, and the other employees of the commission, and all other necessary expenses incurred or authorized by the commission is hereby appropriated and shall first once each month by the treasurer and out of the pension and welfare fund be made available to the commission upon the warrant of the secretary of the commission and the certification of the chairman of the commission.

The commission is authorized: to establish a principal office and such branch offices as efficiency and the good judgment of the commission may determine; to select and to hire and to discharge employees, officers, deputies, counsel, and expert aid or agents; define their duties; fix their compensation; require bonds of them and fix the penalty thereof; a rules and regulations. The Administrative Procedure Act now contained in the Government Code of the State of California is hereby made a part of the rules and regulations of the Commission, subject however, to such changes or modifications thereof and additions thereto as the Commission may make therein for the use of the Commission. The total costs of administration of the commission shall not exceed 5% of the amount of the license fees and taxes herein prescribed to be collected by the commission.

None of the fees or taxes collected by the commission or that by this article are prescribed to be collected, shall ever be placed in any account or fund other than the pension and welfare fund.

Sec. 7. The amount of money that shall be by the commission be estimated as necessary to pay the preliminary and organizational costs of placing in full and complete operation all provisions of this article that are directed to be administered by the commission, and in any event not to exceed the sum \$6,000,000, is hereby appropriated and the state treasurer is hereby directed to pay and transfer such sum or sums of money out of the general fund to the commission upon demand of the commission and at a date or dates which the commission shall determine, but within the two year period next subsequent to the date of the adoption of this article said sum or sums shall be repaid and transferred out of the pension and welfare reserve fund to the general fund of the state.

On or before the 20th day of each month, and at any and all events not later than the 30th day of each month, the exact operating statements of the commission, as at the close of business on the last business day of the preceding month, shall be published by the commission. The governor shall name a person or state department to examine and/or audit the books and accounts of the commission, without prior notice, four times a year.

Sec. 8. Except for such horse race wagering and racing establishments as are licensed by The California Horse Racing Board under the California Horse Racing Law as it stood at the first day of January 1949; the licensing of, and the fiction and supervision over, establishments, or places business and over all persons and things (a) having to do with wagering on the results of races, games or other contests or trials of skill, speed, or endurance of man or beast (b) having to do with wagering or play for money on the results of games of chance or skill of any sort or description (c) having to do with the ownership, possession or operation of any game, of any sort or description, upon the operation or result of which or by means of which there is wagering, gaming, or play for money or other representative of value, are vested in the commission. The commission shall, however, have power to install and maintain or cause to be installed and maintained at each horse race or other event or meeting, whether licensed by the California Horse Racing Board or by the commission, whatever pari-mutuel or other equipment may, by the commission, be deemed necessary or desirable to report the odds, prices and description of all races to all off-track wagering offices licensed by the commission, to the end that odds quoted and paid on each horse at each off-track wagering office and the odds quoted and paid at the race track shall be the same; and each licensee of a horse racing or other establishment where events are conducted upon which there is wagering shall as a condition of his license be required, under rules and regulations prescribed by the commission, to tally all off-track pari-mutuel wagers through the totalizer which said licensee operates.

No provision of this article shall be construed to mean that any of the license fees or licensee commissions required or permitted to be deducted from wagers made on horse races within enclosures where said horse races are held under license issued by the California Horse Racing Law as it stood at the first day of January 1949, shall be subject to the license or taxes that are prescribed by this article and payable to the pension and welfare fund.

All pari-mutuel wagering licensed by the California Horse Racing Board and all pari-mutuel or other wagering licensed by the commission shall be carried on in compliance with rules and regulations which the commission shall prescribe and be subject to examination and audit by the commission.

The commission shall cause all pari-mutuel wagers on races, or events occurring outside this state, or on unlicensed events occurring in this state, to be computed by a central totalizer licensee licensed by the commission to operate for that purpose only, to the end that the combined total of all such wagers made in this state on any such race or event shall determine the awards that shall be paid to winning wagerers. The central totalizer licensee shall operate solely as a "totalizer service" and pari-mutuel licensees shall pay the central totalizer licensee one-half per cent of all money so wagered.

Every license issued by the commission shall be either a class "A", "B", "C", "D", or such other class license as the commission may deem applicable. A licensee shall not be licensed to operate in any other than a location where the carrying on of other forms of business is lawful, nor in any place that is less than 600 feet removed from any church or school.

Sec. 9. A class "A" license shall entitle the licensee (a) to conduct races, or other events approved by the commission, at a place or enclosure which must comply with prevailing sanitary and safety laws and must be approved by the commission; (b) to conduct pari-mutuel wagering on the results of races or events held within said enclosures; said wagering shall be only by the use of ticket vending machines and a totalizer or calculating equipment approved by the commission; no other wagering shall be carried on or permitted within said enclosure. From each dollar wagered under a

class "A" license, the licensee shall deduct 13 cents; of each 13 cents so deducted, the licensee shall retain 8 cents, and 5 cents shall be pension tax which said licensee shall pay to the commission.

A class "B" license shall entitle the licensee to carry on pari-mutuel type wagering at a place other than where races or other events are conducted and shall require the licensee to use ticket vending machines, accounting systems and equipment approved by the commission. From each dollar wagered under class "B" license, the licensee shall deduct 13 cents; of each 13 cents so deducted the licensee shall retain 5 cents, 7½ cents shall be pension tax which the licensee shall pay to the commission, and ½ cent shall be paid by the licensee to the establishment which conducted the race or event, or if the event occurred outside this state, to the central totalizer licensee.

A class "C" license shall entitle the licensee to carry on other than pari-mutuel wagering, at a place other than where races or other events are conducted, and require the licensee to use tickets, ticket and money accounting systems and equipment required or approved by the commission. From each dollar wagered under a class "C" license, the licensee shall deduct 7½ cents which shall be pension tax which the licensee shall pay to the commission, and in addition out of every dollar wagered on races or events occurring in this state the licensee shall deduct and pay ½ cent to the licensee who conducted the race or event.

The total number of class "B" and "C" licenses issued shall include a minimum of one in each county, and for the whole state, be not more than the proportion of 6 to each assembly district; provided except; the commission may in its discretion issue special resort licenses for periods not exceeding 6 consecutive months.

A class "D" license shall be for not less than 100 games; shall specify for each game the percentage of the money or value played which said game shall return to the players thereof; shall entitle the licensee to install or expose said game for play in places of business approved by the commission and only if and during such period as such locations shall be approved by the commission. For the purpose of a class "D" license a coin is a piece of money or a token, disc, slug, ball or other implement by which an amusement device or game is or may be operated. Every coin operated device by means of which there is play for money or other representative of value is a class "D" game. Each class "D" game shall comply with specifications and regulations which the commission shall prescribe; shall have within its outer casing a coin meter which shall tally every coin played; shall be "set" to return to players not less than 70 per cent nor more than 90 per cent of the coins played; shall, by affixing of a seal, be sealed by the commission; shall have a lock, the key to which shall be kept by the licensee; shall be kept locked and sealed; shall be opened for the removal of coins only in the presence of both the licensee and a commission auditor. The commission shall assign a permanent identification number to each class "D" game, which number shall indicate the percentage of coins to be retained and the percentage to be returned to the players and be affixed permanently on each game. A record by identification number and location of each game possessed shall be maintained by the licensee, and an exact copy thereof shall be supplied to the commission by the licensee.

A class "D" licensee shall pay a fee of \$5 each year for each game possessed; in addition, at the pleasure of the commission, each game shall be opened, the number of coins deposited in the coin receptacle checked against the reading of the coin meter and verified, and the coins removed and reported; and of the money so removed, one third shall be retained by the licensee, one third shall be paid by the licensee to the establishment where the game is located; and one third

shall be pension tax which shall be paid by the licensee to the commission.

Sec. 10. Each application for a license shall show upon the sworn statement of the applicant; applicant's full name, and residence address; that applicant has been an elector of this state for two years next preceding the date of application; in the case of co-partnership or association the full names and residence address of each of the partners or associates and that each has been an elector of this state for two years next preceding the date of application; in the case of a corporation that the corporation is chartered in this state, the full names and residence addresses of the principal officers and that the president or general manager has been an elector of this state for two years next preceding the date of application. In the case of a co-partnership or association the application shall be verified by each of the co-partners or associates; in the case of a corporation, by an officer and under the seal of the corporation.

A license shall specify the person, association or corporation to whom issued; shall identify the location in which the licensee may carry on, or operate the wagering, game or games, for which the license is issued. No license shall issue until the licensee shall have deposited with the commission a surety bond in the penal sum of \$10,000 or a sum which the commission shall estimate as sufficient to guarantee the payment of wagers and taxes.

A license shall not be transferable; shall not be for any wagering, game, or thing except the identical one or ones specified in the license; shall not be valid except in the place, enclosure or room described in the license. If a licensee shall, by sale or otherwise, transfer his establishment or equipment, then, upon showing compliance with all requirements for license, his successor shall be licensed; provided except; no person or corporation shall be licensed to operate in more than 3 locations during the same period of time.

Every license shall be posted by the licensee in a conspicuous place in the room or enclosure where the wagering or game is licensed to be carried on and where any game is exposed for play.

No other license or permit and no excise tax, fee or other tax condition except as provided by this article shall be required, levied or collected, by this state or by any political subdivision, district, board, bureau, commission or committee of the state or by any county, city and county or by any political subdivision, district, board, bureau, commission or committee of any county, city and county or city of the state, from the licensee licensed by the commission under this article.

All licenses are subject to suspension or revocation by the commission in any case where the commission has reason to believe that any condition of its license has not been complied with or that any federal law, or any law of this state has been violated. If any license is suspended or revoked, the commission shall cause a full and complete statement of its reasons therefor to be entered in its minute book and such statement shall be public information. The action of the commission in revoking or suspending a license is final, except that the propriety of such action is subject to review, upon questions of law only, by the superior court of the county within which such license was to be exercised. In such appeal the court shall hear and determine the matter de novo, not more than 10 days after the filing of the appeal. The action of the commission shall stand unless and until reversed by the court. The licensee whose license has been revoked shall, for a period of two years thereafter, be denied the right to apply for a new license or for a renewal of said license.

Sec. 11. The commission may in its discretion operate or license gaming, lotteries, raffles and machines, devices or things pertaining thereto, under the same or essentially similar fees, conditions, rules and regulations that apply to games and wagering for which licenses are herein prescribed; all

except \$1 of the tax or fee payable under any license issued to a church, benevolent or other organization, shall be waived if, upon showing of facts, the commission shall deem such licensee to be applying all of the proceeds of such license operation to church, charity, benevolent, or public purposes; provided except; the tax or fee shall be collected in full when such operation is carried on for a church or other organization by a person or by a corporation upon a commission, percentage, fixed fee or other compensation basis.

Sec. 12. The commission shall require of every licensee that each of his employees and/or agents shall at all times carry on his person an identification permit or badge which the commission shall issue pursuant to such rules and regulations as the commission may adopt; and each permit or badge shall be numbered and contain the full name and residence address of said employee or agent; no permit or badge shall issue to or for any such employee or agent who is not a qualified voter in this state.

Sec. 13. It shall be a violation for any licensee or any employee or agent of said licensee to solicit, or knowingly permit any person under 21 years of age to loiter about or to wager, or to operate or play any game or device licensed by the commission. The commission shall, upon proof of such violation, give written warning to said licensee, and if such violation be repeated the commission shall, suspend for three months, or in its discretion, revoke the license.

Any person under 21 years of age who shall loiter about the premises of a licensee, or wager, or play any game or device exposed for play by any licensee shall be subject to removal from such premises and be guilty of a misdemeanor.

Any person, either as owner, lessee, agent, employer or employee, whether for gain or hire or not, who shall carry on, or cause or permit to be operated, any establishment for, or any form of gaming, wagering, raffle, lottery or play for money or other representative of value; who shall operate or cause or permit to be operated any instrument, machine, wheel, tote board, equipment, furniture, tick, thing having to do with wagering, gaming, or a raffle or lottery or play for money or other representative of value; unless such person or establishment, or unless such wagering, gaming, or thing, or play for money or other representative of value shall first be licensed by the commission; is guilty of a felony and punishable by imprisonment in a state prison for not less than one nor more than five years.

Until serially numbered tickets, vending machines, totalizers, computing equipment and other suitable mechanical or other equipment, specified or contemplated by this article can be procured and installed, the commission may issue temporary licenses, subject to fees, rules and regulations which the commission shall prescribe.

Sec. 14. This Article is self-executing. If any section, subsection, sentence, clause or phrase of the constitution is in conflict with any of the provisions of this article, such section, subsection, sentence, clause or phrase is to the extent of such conflict hereby repealed. Words used in this act in the present tense include the future as well as the present. Words used in the masculine gender include the feminine and the neuter, and the neuter the masculine and the feminine. The singular includes the plural and the plural the singular; writing includes printing, engraving, lithographing, typewriting and planographing. Oath includes affirmation; the word county includes city and county, and territory includes district. In the event that any decision or order of any court shall hold invalid or unconstitutional any provision, section, subsection, sentence, clause or phrase of this article, or the application thereof to any person or circumstance, such decision on order shall not affect the validity of the remaining portion of this article and the applications of such provisions to other persons or circumstances shall not be affected thereby. It is expressly provided that it is the distinct intention of the people and the voters of the State of California,

in naming herein the first five members of the Pension and Welfare Funding Commission, to make hereby an exception of this Pension and Welfare Funding Act from the application to and the effect thereof of any constitutional amendment or court ruling which might be adopted or made prior to the adoption of this Pension and Welfare Funding Act which would make or purport to make it unconstitutional for this Pension and Welfare Funding Act to name any individual or individuals by name or names to hold the office or offices of member of the Pension and Welfare Funding Commission; and if by any chance or for any reason or by any means it shall become or be declared unconstitutional for the members of the Pension and Welfare Funding Commission to be named by the provisions of this Pension and Welfare Funding Act to the contrary and notwithstanding the foregoing and above mentioned exception which is placed herein for the distinct

purpose of excepting this Act from any such constitutional amendment or court ruling which would prevent the naming of the Pension and Welfare Commissioners herein, then the governor shall forthwith, but not prior to the tenth day of January next succeeding the election at which this amendment was adopted, appoint the members of the Pension and Welfare Funding Commission, and such members so appointed shall serve until their successors have been elected at the next general election and until such time thereafter as their successors have qualified and taken office. The people of the State of California do hereby declare that they do adopt and would have adopted this article and each section, subsection, sentence, clause and phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

CHIROPRACTORS. Amendment of Initiative Act. Adds Section 8.1 to Chiropractic Act. Provides that no blind person shall be denied admission to or graduation from chiropractic school, or be barred from state chiropractic examination or license, on ground that he is blind.

YES	
NO	

(This proposed law expressly amends provisions of existing law; therefore, **NEW PROVISIONS** proposed to be **INSERTED** are printed in **BLACK-FACED TYPE**.)

PROPOSED LAW

Sec. 8.1. No blind person shall be denied admission into

any college or school of chiropractic or denied the right to take any examination given by such school or college or denied a diploma or certificate of graduation or a degree or denied admission into any examination for a state license or denied a regular license to practice chiropractic on the ground that he is blind.

COMPENSATION OF LOCAL OFFICERS. Assembly Constitutional Amendment No. 81. Amends Section 5 of Article XI of Constitution. Repeals prohibition against increasing compensation of any county, township or municipal officer after his election or during his term of office. Validates 1949 statutes prescribing compensation of those county officers whose salaries are fixed by the Legislature, making such compensation payable upon adoption of this amendment.

YES	
NO	

(This proposed amendment expressly amends an existing section of the Constitution, therefore, **EXISTING PROVISIONS** proposed to be **DELETED** are printed in **STRIKED TYPE**, and **NEW PROVISIONS** proposed to be **INSERTED** are printed in **BLACK-FACED TYPE**.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Sec. 5. The Legislature, by general and uniform laws, shall provide for the election or appointment, in the several counties, of boards of supervisors, sheriffs, county clerks, district attorneys, and such other county, township, and municipal officers as public convenience may require, and shall prescribe their duties and fix their terms of office. It shall regulate the compensation of boards of supervisors, district attorneys and of auditors in the respective counties and for this purpose may classify the counties by population. It may regulate the compensation of grand and trial jurors in all courts within the classes of counties herein permitted to be made. The boards of supervisors in the respective counties shall regulate the compensation of all officers in said counties other than boards of supervisors, district attorneys, auditors, and judges of municipal courts, and shall regulate the number, method of appointment, terms of office or employment, and compensation of all deputies, assistants, and employees of the counties.

The provisions of this section shall not be construed to abridge, modify or otherwise affect the provisions of Sections 7 1/2, 7 1/3 and 8 1/2 of this article, relating to county or city and city charters. That certain act entitled "An act to add a section to the Political Code to be numbered 4056d, relating to powers and duties of boards of supervisors with respect to county and township officers, deputies, assistants and

employees," as enacted by the Legislature at its Fiftieth Session, is hereby validated and made fully and completely effective.

The compensation term of any county, township or municipal officer shall not be increased after his election or during his term of office; nor shall the term of any such officer be extended beyond the period for which he was elected or appointed.

The Legislature by a two-thirds vote of the members of each House may suspend the provision hereof prohibiting the increase of compensation of any county, township or municipal officer after his election or during his term of office for any period during which the United States is engaged in war and for one year after the termination of hostilities therein as proclaimed by the President of the United States.

The provisions of this section shall not prevent the allowance of any new or additional deputy or assistant to the principal in any county office during his term; nor shall they prevent any increase in the compensation of any deputy or assistant to such principal at any time.

All acts of the 1949 Session of the Legislature fixing the compensation of the county officers permitted to be fixed by the Legislature are hereby validated and affirmed, and the compensation so fixed shall be paid to such officers from and after the effective date of this amendment and until changed by the Legislature.

The provisions of this section shall not abridge, modify or otherwise limit the power of the Legislature by general and uniform laws to prescribe the qualifications of any county officer or of any deputy or assistant; or to prescribe the method of appointment of any person so qualified.