

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5291

To establish the Commission on the Review of National Policies Toward  
Gambling.

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IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 29, 1994

Mr. LAFALCE introduced the following bill; which was referred jointly to the  
Committees on the Judiciary, Natural Resources, and Ways and Means

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## A BILL

To establish the Commission on the Review of National  
Policies Toward Gambling.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; FINDINGS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “National Policies Toward Gambling Review Act of  
6 1994”.

7 (b) FINDINGS.—The Congress finds the following:

8 (1) In 1976, the Commission on the Review of  
9 the National Policy Toward Gambling issued its  
10 final report to Congress. At the time of the report—

1 (A) casino gambling was legal in just 1  
2 State, where it was a \$1,000,000,000 a year in-  
3 dustry;

4 (B) Indian tribal gambling did not exist;

5 (C) State lotteries existed in just 13  
6 States; and

7 (D) the link between gambling and orga-  
8 nized crime was the paramount concern of the  
9 commission.

10 (2) The gambling industry has grown dramati-  
11 cally in recent years as demonstrated by the follow-  
12 ing:

13 (A) Casino gambling is legal in well over  
14 20 States and referenda on legalization are  
15 being considered in many other States.

16 (B) Casino gambling has become a  
17 \$30,000,000,000 a year industry.

18 (C) Indian tribal casino gambling accounts  
19 for over 15 percent of all casino revenues.

20 (D) State lotteries exist in 36 States.

21 (E) Gambling in some form exists in all  
22 but 2 States in the Union.

23 (3) Implementation of the Indian Gaming Reg-  
24 ulatory Act in 1988 created a competitive environ-  
25 ment between Indian tribes and States to legalize

1 and develop casinos at a swift pace, as evidenced by  
2 the current status of casino gambling among rec-  
3 reational activities in the United States.

4 (4) Today, the paramount public policy concern  
5 relative to gambling is the impact of the gambling  
6 industry itself on communities, States, and the Na-  
7 tion as a whole.

8 (5) Gambling brings with it certain externalities  
9 that other industries do not bring. Specifically, the  
10 proliferation of the gambling industry raises con-  
11 cerns regarding—

12 (A) corresponding proliferation of gam-  
13 bling addiction;

14 (B) proliferation in addiction-related crime;

15 (C) proliferation in cross addictions be-  
16 tween gambling and alcohol and drugs;

17 (D) decreases in worker productivity at the  
18 national level due to excessive gambling;

19 (E) a potentially adverse impact on the  
20 health and viability of existing small businesses  
21 in communities where gambling is legalized and  
22 in communities surrounding Indian reservations  
23 where gambling exists;

24 (F) a competitive atmosphere developing  
25 between States and Indian tribes, between

1 States and other States, and between States  
2 and bordering countries, particularly Canada, to  
3 attract the gambling dollar; and

4 (G) dramatic growth in the political influ-  
5 ence of gambling advocates in city halls and  
6 statehouses across the country, where govern-  
7 ments must act as both regulator and profiteer  
8 of gambling.

9 (6) There are variations and conflicts in the  
10 regulatory structures controlling gambling nation-  
11 wide, and in particular between Federal oversight  
12 through the Indian Gaming Regulatory Act and  
13 State laws.

14 (7) There is no adequate core or body of knowl-  
15 edge at the national level on the impact of gambling  
16 proliferation on the United States.

17 (8) Most of the economic impact studies of ca-  
18 sino gambling have been sponsored by the gambling  
19 industry.

20 (9) Little funding has been made available at  
21 the State or Federal level for research into gambling  
22 addiction and the socioeconomic cost to the Nation  
23 of gambling addiction.

24 (10) Policymakers at the local, State, and Fed-  
25 eral levels are in need of sound information and data

1 on the social and economic impact of gambling pro-  
2 liferation on the Nation.

3 **SEC. 2. ESTABLISHMENT.**

4 There is established a commission to be known as the  
5 “Commission on the Review of National Policies Toward  
6 Gambling” (in this Act referred to as the “Commission”).

7 **SEC. 3. DUTIES.**

8 (a) IN GENERAL.—The Commission shall conduct a  
9 comprehensive legal and factual study of (1) gambling ac-  
10 tivities in the United States, (2) the social and economic  
11 impact of such gambling activities, and (3) existing Fed-  
12 eral, State, and local policy and practices with respect to  
13 legal prohibition and taxation of such gambling activities,  
14 and in particular the relationship between the Indian  
15 Gaming Regulatory Act and State and local laws. The  
16 Commission shall formulate and propose such changes in  
17 such policies and practices as the Commission may con-  
18 sider appropriate.

19 (b) REQUIREMENTS.—The study to be conducted  
20 under subsection (a) shall, at a minimum, include the fol-  
21 lowing:

22 (1) An examination of the impact of gambling  
23 activities on communities nationwide and the nation  
24 as a whole in terms of—

1 (A) the economic well-being of existing  
2 small businesses and jobs;

3 (B) the growth in gambling addiction;

4 (C) the socio-economic impact of gambling  
5 addiction; and

6 (D) the growth in gambling related crime  
7 and gambling-addiction related crime, particu-  
8 larly given the proliferation of casino gambling  
9 in recent years.

10 (2) A review of the effectiveness of existing  
11 practices in law enforcement, judicial administration,  
12 and corrections in the United States and in foreign  
13 legal jurisdictions for the enforcement of the prohibi-  
14 tion and taxation of gambling activities, including  
15 consideration of possible alternatives to such prac-  
16 tices.

17 (3) A study of existing statutes of the United  
18 States and State and local jurisdictions that prohibit  
19 and tax gambling activities, including preparation of  
20 such a proposal for codification, revision, or repeal  
21 of such statutes as the Commission may determine  
22 to be required to carry into effect such policy and  
23 practice changes as it may consider to be necessary  
24 or desirable.

1 **SEC. 4. MEMBERSHIP.**

2 (a) NUMBER AND APPOINTMENT.—The Commission  
3 shall be composed of 15 members appointed not later than  
4 90 days after the date of the enactment of this Act as  
5 follows:

6 (1) Four individuals appointed jointly by the  
7 President of the Senate and the minority leader of  
8 the Senate.

9 (2) Four individuals appointed jointly by the  
10 Speaker of the House of Representatives and the mi-  
11 nority leader of the House of Representatives.

12 (3) Seven individuals appointed by the Presi-  
13 dent of the United States.

14 (b) QUALIFICATIONS.—Members appointed pursuant  
15 to subsection (a) shall be appointed from among individ-  
16 uals who are not officers of the executive branch of the  
17 Government or Members of Congress and who are spe-  
18 cially qualified to serve on the Commission by virtue of  
19 training and experience.

20 (c) CHAIRMAN.—The President of the United States  
21 shall designate a Chairman from among the members of  
22 the Commission.

23 (d) QUORUM.—Eight members of the Commission  
24 shall constitute a quorum.

25 (e) VACANCIES.—Any vacancy in the Commission  
26 shall not affect the powers of the Commission but shall

1 be filled in the same manner in which the original appoint-  
2 ment was made.

3 (f) BASIC PAY.—

4 (1) RATES OF PAY.—Except as provided in  
5 paragraph (2), members of the Commission shall  
6 each be entitled to receive \$100.00 for each day (in-  
7 cluding travel time) during which they are engaged  
8 in the actual performance of duties vested in the  
9 Commission.

10 (2) PROHIBITION OF COMPENSATION OF MEM-  
11 BERS OF THE FEDERAL JUDICIARY.—Members of  
12 the Commission who are members of the Federal ju-  
13 diciary may not receive additional pay, allowances,  
14 or benefits by reason of their service on the Commis-  
15 sion.

16 (g) TRAVEL EXPENSES.—Each member of the Com-  
17 mission shall receive travel expenses, including per diem  
18 in lieu of subsistence, in accordance with sections 5702  
19 and 5703 of title 5, United States Code.

20 **SEC. 5. STAFF.**

21 (a) APPOINTMENT.—Subject to such rules and regu-  
22 lations as may be adopted by the Commission, the Chair-  
23 man of the Commission shall have the power to appoint  
24 and fix the compensation of a Director and such additional



1 staff personnel (but not to exceed 15 staff members) as  
2 the Chairman considers necessary.

3 (b) APPLICABILITY OF CERTAIN CIVIL SERVICE  
4 LAWS.—The Director and staff of the Commission may  
5 be appointed without regard to the provisions of title 5,  
6 United States Code, governing appointments in the com-  
7 petitive service, and may be paid without regard to the  
8 provisions of chapter 51 and subchapter III of chapter 53  
9 of such title relating to classification and General Schedule  
10 pay rates; except that an individual so appointed may not  
11 receive pay in excess of the rate of basic pay payable for  
12 level I of the Executive Schedule.

13 (c) QUALIFICATIONS.—In making appointments pur-  
14 suant to this section, the Chairman of the Commission  
15 shall include among the Chairman's appointments individ-  
16 uals determined by the Chairman to be competent social  
17 scientists, lawyers, law enforcement officers, and others  
18 with professional expertise in areas related to gambling.

19 **SEC. 6. POWERS OF COMMISSION.**

20 (a) HEARINGS AND SESSIONS.—The Commission  
21 may, for the purpose of carrying out this Act, hold hear-  
22 ings, sit and act at times and places, take testimony, and  
23 receive evidence as the Commission considers appropriate.  
24 The Commission may administer oaths or affirmations to  
25 witnesses appearing before it.

1 (b) POWERS OF MEMBERS AND AGENTS.—Any mem-  
2 ber or agent of the Commission may, if authorized by the  
3 Commission, take any action which the Commission is au-  
4 thorized to take by this section.

5 (c) OBTAINING OFFICIAL DATA.—The Commission  
6 may secure directly from any department or agency of the  
7 United States information necessary to enable it to carry  
8 out this Act. Upon request of the Chairperson of the Com-  
9 mission, the head of that department or agency shall fur-  
10 nish that information to the Commission.

11 (d) MAILS.—The Commission may use the United  
12 States mails in the same manner and under the same con-  
13 ditions as other departments and agencies of the United  
14 States.

15 (e) ADMINISTRATIVE SUPPORT SERVICES.—Upon  
16 the request of the Commission, the Administrator of Gen-  
17 eral Services shall provide to the Commission, on a reim-  
18 bursable basis, the administrative support services nec-  
19 essary for the Commission to carry out its responsibilities  
20 under this Act.

21 (f) SUBPOENA POWER.—

22 (1) IN GENERAL.—The Commission may issue  
23 subpoenas requiring the attendance and testimony of  
24 witnesses and the production of any evidence relat-  
25 ing to any matter which the Commission is empow-

1       ered to investigate by this Act. The attendance of  
2       witnesses and the production of evidence may be re-  
3       quired from any place within the United States at  
4       any designated place of hearing within the United  
5       States.

6           (2) FAILURE TO OBEY A SUBPOENA.—If a per-  
7       son refuses to obey a subpoena issued under para-  
8       graph (1), the Commission may apply to a United  
9       States district court for an order requiring that per-  
10      son to appear before the Commission to give testi-  
11      mony, produce evidence, or both, relating to the  
12      matter under investigation. The application may be  
13      made within the judicial district where the hearing  
14      is conducted or where that person is found, resides,  
15      or transacts business. Any failure to obey the order  
16      of the court may be punished by the court as civil  
17      contempt.

18          (3) SERVICE OF SUBPOENAS.—The subpoenas  
19      of the Commission shall be served in the manner  
20      provided for subpoenas issued by a United States  
21      district court under the Federal Rules of Civil Pro-  
22      cedure for the United States district courts.

23          (4) SERVICE OF PROCESS.—All process of any  
24      court to which application is to be made under para-  
25      graph (2) may be served in the judicial district in

1       which the person required to be served resides or  
2       may be found.

3       (g) IMMUNITY.—The Commission is an agency of the  
4 United States for the purpose of part V of title 18, United  
5 States Code (relating to immunity of witnesses).

6 **SEC. 7. REPORTS.**

7       (a) INTERIM REPORTS.—The Commission may sub-  
8 mit to the President of the United States and the Con-  
9 gress interim reports as the Commission considers appro-  
10 priate.

11       (b) FINAL REPORT.—The Commission shall transmit  
12 a final report to the President of the United States and  
13 the Congress not later than 2 years after the date of the  
14 first meeting of the Commission. The final report shall  
15 contain a detailed statement of the findings and conclu-  
16 sions of the Commission.

17 **SEC. 8. TERMINATION.**

18       The Commission shall terminate on the 60th day fol-  
19 lowing submittal of the final report of the Commission  
20 pursuant to section 7(b).

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