

**CALIFORNIA GAMBLING CONTROL COMMISSION**

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**Memorandum****To :** Commissioners**Date :** January 23, 2009**Via :** Tina Littleton, Deputy Director, Licensing Division
Evelyn Mattheis, Chief Counsel
Terresa A. Ciaff, Executive Director**Agenda Item #** 9**From :** Jim Allen, Regulatory Actions Manager**Subject :** 2009 RULEMAKING CALENDAR**PURPOSE**

This is to inform the Commission of the completion of the Commission's annual Rulemaking Calendar, and to recommend approval of the calendar for filing with the Office of Administrative Law (OAL) and publication in the *California Regulatory Notice Register (Register)*.

BACKGROUND

The law requires state agencies with rulemaking authority to prepare a Rulemaking Calendar by January 30th each year, for submission to OAL, covering the regulatory actions proposed for that calendar year. The calendar must be (1) prepared in accordance with the format specified by OAL; (2) approved by the Commission or the Commission's designee; and (3) published in the *Register*. (Govt. Code § 11017.6)

The calendar consists of two schedules:

1. Schedule A, which describes the rulemaking necessary to implement statutes enacted during the previous year. This schedule must include, for each of the agency's regulatory proposals, the projected dates for each major step in the formal rulemaking process, the organizational unit responsible for the rulemaking proposal, and the name and telephone number of a contact person. This schedule must also be sent to the author of each statute enacted during the previous year for which the Commission has responsibility, together with an explanation of the priority given to the statute in the rulemaking calendar. (Govt. Code § 11017.6(b))
2. Schedule B, which describes all other rulemaking that may be proposed in order to implement, interpret or make specific statutes enacted prior to the previous year. This schedule must contain the same information required to be contained in the other schedule. In addition, it must include a report on the status of all uncompleted rulemaking that has been described in previous calendars.

The attached 2009 Rulemaking Calendar was prepared from last year's calendar and the current rulemaking status and priority schedule. Agencies are not precluded from adopting a regulation not included in their calendars if the regulation "is required by circumstances not reasonably anticipated at the time the rulemaking calendar is prepared." (Gov. Code § 11017.6) However, to be as informative as possible, an effort was made to list all rulemaking that could possibly be pursued in the upcoming year. For this reason, some of the subjects listed are relatively broad in order to cover those proposals that are still in the conceptual development phase. Other subjects are more specific as they relate to proposals where the concept has already been developed or the formal process has been or is about to be commenced. All of the dates included for each rulemaking are estimates, subject to change and not binding on the Commission.

Also attached for informational purposes is a rulemaking overview for last year. The overview summarizes the rulemaking files that were completed and approved by OAL in 2008, as well as those proposals for which the formal APA rulemaking process has begun.

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| ACTION NEEDED | It has been the past practice to include the review and approval of the calendar on a Commission meeting agenda. If the calendar meets with your approval, the Executive Director may be delegated the responsibility of submitting it to OAL for publication. |
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| DUE DATE | The Rulemaking Calendar is due at OAL by February 13, 2009. Approval at the Commission's February 11, 2009 meeting will allow OAL's deadline to be met. |
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| ATTACHMENTS | <ul style="list-style-type: none">☞ 2009 Rulemaking Calendar – Schedules A & B☞ Rulemaking Overview for 2008 |
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| COPIES TO | Anna Carr, Richard Ross |
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**CALIFORNIA GAMBLING CONTROL COMMISSION
2009 RULEMAKING CALENDAR**

SCHEDULE A: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED DURING THE YEAR 2008

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|---|--|---|---------------------------------|----------------------------------|--------------------------------|
| Subject: Interim Approval of Bingo Card Minding Devices; Certificate of Compliance Re: Emergency Regulation, OAL File No. 2008-1218-06 E | CCR Title & Sections Affected: Title 4, § 12482 | Statutes Being Implemented: Chapter 748, Statutes of 2008 (SB 1369, Cedillo & Battin, et al.) Business and Professions Code §§ 19850.5 and 19850.6; and Penal Code § 326.5. | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Jan 2009 | Hearing: Mar 2009 | Adoption: May 2009 | To OAL: Jun 2009 |
| Subject: Licensing of Manufacturers, distributors and suppliers of Bingo Card-Minding Devices, Remote Caller Bingo Equipment and Bingo supplies. | CCR Title & Sections Affected: Title 4, § (new) 12484 | Statutes Being Implemented: Chapter 748, Statutes of 2008 (SB 1369, Cedillo & Battin, et al.) Business and Professions Code §§ 19850.5 and 19850.6; and Penal Code §§ 326.3 and 326.5. | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Jan 2009 | Hearing: Mar 2009 | Adoption: May 2009 | To OAL: Jun 2009 |
| Subject: Provisions for Providing Assistance to Bingo Players with Disabilities in Compliance with the Americans with Disabilities Act (ADA) and/or Other Applicable Requirements. | CCR Title & Sections Affected: Title 4, § (new) 12486 | Statutes Being Implemented: Chapter 748, Statutes of 2008 (SB 1369, Cedillo & Battin, et al.) Business and Professions Code §§ 19850.5 and 19850.6; and Penal Code § 326.5. | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Feb 2009 | Hearing: Apr 2009 | Adoption: Jun 2009 | To OAL: Jul 2009 |

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|---|--|---|----------|-----------|----------|
| Subject: Licensing or Approval of Remote Caller Bingo Operators, including Organizations, Owners, Persons with Fiduciary Responsibility, Site Managers, Callers, and Administrative, Technical, Financial and Security Personnel. | CCR Title & Sections Affected: Title 4, § (new) 12488 | Statutes Being Implemented: Chapter 748, Statutes of 2008 (SB 1369, Cedillo & Battin, et al.) Business and Professions Code §§ 19850.5 and 19850.6; and Penal Code §§ 326.3 and 326.5. | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: | Hearing: | Adoption: | To OAL: |
| | | Feb 2009 | Apr 2009 | Jun 2009 | Jul 2009 |

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|--|--|--|----------|-----------|----------|
| Subject: Establishment of Criteria for the Approval of Remote Caller Bingo Controls, Methodologies and Standards of Game Play. | CCR Title & Sections Affected: Title 4, § (new) 12490 | Statutes Being Implemented: Chapter 748, Statutes of 2008 (SB 1369, Cedillo & Battin, et al.) Business and Professions Code §§ 19850.5 and 19850.6; and Penal Code § 326.3. | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: | Hearing: | Adoption: | To OAL: |
| | | Feb 2009 | Apr 2009 | Jun 2009 | Jul 2009 |

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|---|--|--|----------|-----------|----------|
| Subject: Establishment of Criteria for the Operation and Approval of Remote Caller Bingo Equipment, Including Transmission Equipment. | CCR Title & Sections Affected: Title 4, § 12492 | Statutes Being Implemented: Chapter 748, Statutes of 2008 (SB 1369, Cedillo & Battin, et al.) Business and Professions Code §§ 19850.5 and 19850.6; and Penal Code § 326.5. | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: | Hearing: | Adoption: | To OAL: |
| | | Feb 2009 | Apr 2009 | Jun 2009 | Jul 2009 |

**CALIFORNIA GAMBLING CONTROL COMMISSION
2009 RULEMAKING CALENDAR**

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2008

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|--|---|--|---------------------------------|----------------------------------|--------------------------------|
| Subject: Minimum Internal Control Standards (MICS) for Gambling Establishments: General Terms, Conditions and Definitions; Policies and Procedures; Drop and Timed Collection; Count and Count Room Functions; and Cage Functions. | CCR Title & Sections Affected: Title 4, §§ (new) 12380, 12381, 12384, 12385 and 12386. | Statutes Being Implemented: Bus & Profs. Code §§ 19826, 19827, 19840, 19841, 19920, 19921, 19924, 19930 and 19943. | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Sep 2008 | Hearing: Nov 2008 | Adoption: Feb 2009 | To OAL: Mar 2009 |
| Subject: Former Commission Employee; Appearance, Representation or Communication on Behalf of Another Before the Commission (B&P Code § 19981(a)) | CCR Title & Sections Affected: Title 4, § (new) 12591. | Statutes Being Implemented: Bus & Profs. Code § 19981. | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Dec 2008 | Hearing: None | Adoption: Mar 2009 | To OAL: Apr 2009 |
| Subject: Minimum Internal Control Standards (MICS) for Gambling Establishments: Security and Surveillance (Emergency & Security Plans). | CCR Title & Sections Affected: Title 4, §§ (amend) 12370, (new) 12371, 12394 and 12395. | Statutes Being Implemented: Bus & Profs. Code §§ 19801, 19823, 19827, 19841, 19860, 19912, 19920, 19922 and 19924. | | | |
| Responsible Agency Unit: Regulatory Actions CoordinatorLicensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Feb 2009 | Hearing: Apr 2009 | Adoption: Aug 2009 | To OAL: Sep 2009 |

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|--|---|--|--------------------------|---------------------------|-------------------------|
| Subject: Personal Key Employee Licenses | CCR Title & Sections Affected: Title 4, § (new) 12346; (amend) 12347 | Statutes Being Implemented: Business and Professions Code § 19854 | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Feb 2009 | Hearing: Apr 2009 | Adoption: Jul 2009 | To OAL: Aug 2009 |

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|---|---|---|--------------------------|---------------------------|-------------------------|
| Subject: Minimum Internal Control Standards (MICS) for Gambling Establishments: Gaming Floor Operations and Play of Table Games. | CCR Title & Sections Affected: Title 4, § (new) 12391. | Statutes Being Implemented: Bus & Profs. Code §§ 19841, 19920 and 19824. | | | |
| Responsible Agency Unit: Licensing Division Regulatory Actions Coordinator | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Feb 2009 | Hearing: Apr 2009 | Adoption: Jul 2009 | To OAL: Aug 2009 |

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|---|---|---|--------------------------|---------------------------|-------------------------|
| Subject: Minimum Internal Control Standards (MICS) for Gambling Establishments: Chips, Cards and Other Gambling Equipment. | CCR Title & Sections Affected: Title 4, § (new) 12393. | Statutes Being Implemented: Bus & Profs. Code §§ 19841, 19920 and 19824. | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Mar 2009 | Hearing: May 2009 | Adoption: Aug 2009 | To OAL: Sep 2009 |

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|--|--|---|--------------------------|---------------------------|-------------------------|
| Subject: Minimum Internal Control Standards (MICS) for Gambling Establishments: Personnel and Tips. | CCR Title & Sections Affected: Title 4, §§ (new) 12382 and 12383. | Statutes Being Implemented: Bus & Profs. Code §§ 19841, 19920 and 19824. | | | |
| Responsible Agency Unit: Licensing Division Regulatory Actions Coordinator | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Mar 2009 | Hearing: May 2009 | Adoption: Aug 2009 | To OAL: Sep 2009 |

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|--|---|---|------------------------------|-------------------------------|-----------------------------|
| Subject: Minimum Internal Control Standards (MICS) for Gambling Establishments: Checks, Credit; Unclaimed or Abandoned Property; and Accounting.. | CCR Title & Sections Affected: Title 4, §§ (new) 1238712388, 12388 and 1239012410. | Statutes Being Implemented: Bus & Profs. Code §§ 19841, 19920 and 19824. | | | |
| Responsible Agency Unit: Licensing Division Regulatory Actions Coordinator | Contact Person & Phone Number: James AllenJames Allen (916) 263-4024263-4024 | Projected Dates: | | | |
| | | Notice: Jul Jan 2008 | Hearing: Sep Apr 2008 | Adoption: 2009Jan 2009 | To OAL: 2009Jan 2009 |

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|--|---|---|--------------------------|---------------------------|-------------------------|
| Subject: Minimum Internal Control Standards (MICS) for Gambling Establishments: Information Technology Systems. | CCR Title & Sections Affected: Title 4, § (new) 12396. | Statutes Being Implemented: Bus & Profs. Code §§ 19841, 19920 and 19824. | | | |
| Responsible Agency Unit: Licensing Division Regulatory Actions Coordinator | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Mar 2009 | Hearing: May 2009 | Adoption: Aug 2009 | To OAL: Sep 2009 |

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|---|--|---|--------------------------|---------------------------|-------------------------|
| Subject: Minimum Internal Control Standards (MICS) for Gambling Establishments; Adequate Financing; Player/Dealer Banks; and Jackpots. | CCR Title & Sections Affected: Title 4, §§ (new) 12389 and 12390. | Statutes Being Implemented: Bus & Profs. Code §§ 19841, 19920 and 19824. | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Mar 2009 | Hearing: May 2009 | Adoption: Aug 2009 | To OAL: Sep 2009 |

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|--|---|---|--------------------------|---------------------------|-------------------------|
| Subject: Class III Gaming Devices; Transportation & Software Testing/Approval | CCR Title & Sections Affected: Title 4, § (new) 12311. | Statutes Being Implemented: Bus & Profs. Code §§ 19805, 19841, 19930, 19931 and 19951. | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-0452263-4024 | Projected Dates: | | | |
| | | Notice: Apr 2009 | Hearing: Jun 2009 | Adoption: Aug 2009 | To OAL: Sep 2009 |

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|---|---|---|--------------------------|---------------------------|---------------------------|
| Subject: Re-Licensing of Closed Cardroom (Moratorium Regulation) | CCR Title & Sections Affected: Title 4, § (new) 12356. | Statutes Being Implemented: Bus & Profs. Code § 19963. | | | |
| Responsible Agency Unit: Legal Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Jan 2009 | Hearing: Mar 2009 | Adoption: Jun 2009 | To OAL: - Jul 2009 |

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|---|--|--|----------------------|-----------------------|---------------------|
| Subject: Third-Party Providers of Proposition Player Services, Licensing | CCR Title & Sections Affected: Title 4, §§ 12200-12237 | Statutes Being Implemented: Bus & Profs. Code §§ 19805, 19824, 19841, 19851, 19853, 19867, 19868, 19869, 19870, 19876, 19930, 19951 and 19984. | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Apr 2009 | Hearing: Jun 2009 | Adoption: Aug 2009 | To OAL: Sep 2009 |

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|--|--|---|----------------------|-----------------------|---------------------|
| Subject: Licensing of Card Room Resource Suppliers, Vendors and Gambling Equipment Manufacturers and Distributors. | CCR Title & Sections Affected: Title 4, §§ 12300, 12301, 12301.1, 12302, 12303, 12304, 12305, 12306, 12308, 12309, 12310 and 12320 – 12328. | Statutes Being Implemented: Bus & Profs. Code §§ 19823, 19825, 19826, 19827, 19840, 19841, 19844, 19845, 19846, 19851, 19852, 19853, 19856, 19857, 19859, 19865, 19866, 19867, 19868, 19876, 19920, 19930 and 19951 | | | |
| Responsible Agency Unit: Licensing Division Regulatory Actions Coordinator | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Apr 2009 | Hearing: Jun 2009 | Adoption: Aug 2009 | To OAL: Sep 2009 |

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|--|---|--|-------------------------------------|-----------------------|---------------------|
| Subject: Transaction Approvals: Loans, Stock Purchases and Transfer of Shares; Card Room Purchase and Sales Agreements. Request for Approval Regarding Security Interests and Secured Transactions. | CCR Title & Sections Affected: Title 4, § (new) 12355. | Statutes Being Implemented: Bus & Profs. Code §§ 19852, 19853, 19901, 19902, and 19904. | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: Jim Allen (916) 263-0452/263-4024 | Projected Dates: | | | |
| | | Notice: Feb May 2009 | Hearing: Jul 2009/Apr 2008 | Adoption: Sep 2009 | To OAL: Oct 2009 |

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|--|---|---|----------------------|-----------------------|---------------------|
| Subject: Accounting and Financial Reporting | CCR Title & Sections Affected: Title 4, §§ 12400-12406 | Statutes Being Implemented: Bus & Profs. Code §§ 19805 and 19841 | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: May 2009 | Hearing: Jul 2009 | Adoption: Sep 2009 | To OAL: Oct 2009 |

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|---|---|---|----------------------|-----------------------|---------------------|
| Subject: Request for Approval of Transactions – Stock Purchases, Transfer of Shares, Purchase and Sales Agreements | CCR Title & Sections Affected: Title 4, § 12353 | Statutes Being Implemented: Bus & Profs. Code §§ 19852, 19853, 19901, 19902, and 19904 | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: May 2009 | Hearing: Jul 2009 | Adoption: Sep 2009 | To OAL: Oct 2009 |

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|---|---|--|----------------------|-----------------------|---------------------|
| Subject: Temporary Work Permits – Clean-Up | CCR Title & Sections Affected: Title 4, §§ 12120-12128 | Statutes Being Implemented: Bus & Profs. Code §§ 10, 19801, 19811, 19816, 19823, 19824, 19859, 19866, 19910, 19912, | | | |
| Responsible Agency Unit: Licensing Division Regulatory Actions Coordinator | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Jun 2009 | Hearing: Aug 2009 | Adoption: Oct 2009 | To OAL: Nov 2009 |

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|---|---|--|----------------------|-----------------------|---------------------|
| Subject: Interim Key Employees in Corporate-Owned Card Rooms; Authority to Work While Application Pending. | CCR Title & Sections Affected: Title 4, § 12347. | Statutes Being Implemented: Bus & Profs. Code §§ 19805, 19850, 19855, 19856, 19857, 19859, 19866, 19870, and 19883. | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Jun 2009 | Hearing: Aug 2009 | Adoption: Oct 2009 | To OAL: Nov 2009 |

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|--|---|--|----------------------|-----------------------|---------------------|
| Subject: Request for Approval of New or Amended / Restated Articles of Incorporation. | CCR Title & Sections Affected: Title 4, § 12354 | Statutes Being Implemented: Bus & Profs. Code § 19881 | | | |
| Responsible Agency Unit: Licensing Division | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Jul 2009 | Hearing: Sep 2009 | Adoption: Oct 2009 | To OAL: Nov 2009 |

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|---|---|---|----------------------|-----------------------|---------------------|
| Subject: Redundant Definitions: "Executive Director," and "Gambling Establishment" or "Establishment." | CCR Title & Sections Affected: Title 4, §§ 12100 and 12300. | Statutes Being Implemented: Bus & Profs. Code §§ 10 and 19816. | | | |
| Responsible Agency Unit: Licensing Division Regulatory Actions Coordinator | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Jul 2009 | Hearing: Sep 2009 | Adoption: Oct 2009 | To OAL: Nov 2009 |

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|---|---|--|--------------------------|---------------------------|-------------------------|
| Subject: Temporary Gambling Establishment License; Undue Hardship; Undue Hardship. | CCR Title & Sections Affected: Title 4, § 12343. | Statutes Being Implemented: Bus & Profs. Code §§ 19841 and 19868. | | | |
| Responsible Agency Unit: Licensing Division Regulatory Actions Coordinator | Contact Person & Phone Number: James Allen (916) 263-4024 | Projected Dates: | | | |
| | | Notice: Jul 2009 | Hearing: Sep 2009 | Adoption: Oct 2009 | To OAL: Nov 2009 |

Report on the status of all uncompleted rulemaking described on previous calendars:

- **Minimum Internal Control Standards (MICS) for Cardrooms:**
The MICS regulations were segregated separated into eight specificfocused categories (see pages 1-4 above). Public/Industry workshop on the first phase held in December 2008. The rulemaking process began for Phase I with the publication of the Notice of Proposed Action on September 26, 2008. All other phases remain in the conceptual planning and drafting stage.
- **Licensing Issues:**
 - a. Personal Key Employee License. Pilot program in progress. Formal regulations in the conceptual planning and drafting stage.
 - b. TPPS Provider Licensing. Remains in the conceptual planning and drafting stage.
 - c. Licensing of Gambling Equipment Manufacturers and Distributors. Remains in the final drafting stage. Notice expected to be filed in February 2008 in the conceptual planning and drafting stage.
 - d. Processing timelines for temporary work permits. Remains in the conceptual planning and drafting stage.
 - e. Interim Key Employee in Corporate-Owned Cardrooms. Remains in the conceptual planning and drafting stage.
 - f. Temporary Gambling Establishment License; Undue Hardship. Remains in the conceptual planning and drafting stage.
- **Request for Approval Regarding Security Interests and Secured Transactions.** Notice published January 18, 2008 expired before completion of the rulemaking process. Will be re-noticed in February 2009.
- **Accounting and Financial Reporting.** Conceptual planning and drafting continuing. Some elements may be addressed in the MICS regulations.
- **Request for Approval of Transactions – Stock Purchases, Transfer of Shares, Purchase and Sales Agreements.** Remains in the final drafting stage. Notice expected to be filed in February 2008 in the conceptual planning and drafting stage.

- Request for Approval of New or Amended / Restated Articles of Incorporation. Remains in the final drafting stage. Notice expected to be filed in February 2008, in the conceptual planning and drafting stage.
- Redundant Definitions: "Executive Director," and "Gambling Establishment" or "Establishment." Remains in the final drafting stage. Notice expected to be filed in February 2008 in the conceptual planning and drafting stage.
- Extensions of Credit, Check Cashing, ATMs and Unclaimed Property. Abandoned/Unclaimed Property included in the MICS regulations. Hearing date to be set and Notice to be published for Credit, Check Cashing and ATMs. Notice was published in the Notice Register on January 25, 2008. The Rulemaking File and Final Statement of reasons will be filed with OAL on or before January 24, 2009.
- Gaming Activity Authorization. Discontinued.
- Emergency Preparedness and Evacuation Plans. Combined with MICS Phase II; Security & Surveillance. Pending review by and concurrence of the State Fire Marshal.

CALIFORNIA GAMBLING CONTROL COMMISSION
RULEMAKING OVERVIEW FOR 2008

(As of 01/21/2009)

◆ **TWO-YEAR LICENSE RENEWALS FOR GAMBLING ESTABLISHMENTS & KEY EMPLOYEES**

On June 24, 2008, the Office of Administrative Law approved the regulations that officially established two-year license terms for gambling establishments and key employees. As a result of these new regulations, the licenses for gambling establishments and key employees will be renewed only once every two years. This action reflects the Gambling Control Commission's continuing effort to streamline and simplify the license renewal process.

In addition to establishing a two-year license, these new regulations also update many of the forms involved in the license application process, both for initial and renewal licenses.

◆ **FEES FOR ALL LICENSE/REGISTRATION TYPES & TWO-YEAR RENEWAL OF THIRD-PARTY PROP. PLAYER AND GAMBLING BUSINESS LICENSES**
(SB 730 (Florez), Ch. 438, Stats. 2007)

On October 3, 2008, the Office of Administrative Law approved the regulations that implement the provisions of Senate Bill 730 (Ch. 438, Stat. 2007) by establishing two-year license application fees for Gambling Establishments, Key Employees, providers of Third-Party Proposition Player Services (TPPS) and Gambling Businesses. As a result of SB 730, these regulations also establish two-year license terms for TPPS and Gambling Businesses. The new regulations were filed with the Secretary of State on the date of approval and became effective on November 2, 2008.

This regulatory action established a new section (§ 12008) that contains the initial and renewal application fee schedule for all licenses, registrations and permits issued by the Commission. The application fee amounts stated in all other sections have been deleted, and the fee amounts referenced to this new single section. In addition, certain license application forms have also been amended to reflect the new two-year fee schedule.

As a result of the new two-year term for the licenses of TPPS and gambling businesses, these regulations also prescribe a new due date for payment of the annual fee and submission of the employee report. The due dates for the annual fee and employee report were previously tied to the renewal of the license, which is now every two years, rather than annually. Under these regulations, the due date for payment of the fee and submission of the report by licensed TPPS and gambling businesses is the same as what is currently required of registered TPPS and gambling businesses (i.e., September 1st of each year).

◆ **LICENSE APPLICATION DENIAL & ABANDONMENT; INACTIVE & DELINQUENT LICENSES; "EX PARTE" COMMUNICATIONS**

On October 16, 2008, the Office of Administrative Law approved amended regulations that provide clarification and establish standards in the areas of withdrawal and abandonment of license applications. These regulations also clarify and establish procedures for license application denial and provide due process procedures following a denial. Also specified are mandatory and discretionary grounds for denial for a state gambling license or key employee license. The new regulations were filed with the Secretary of State on the date of approval and became effective on November 15, 2008.

◆ **STATEWIDE INVOLUNTARY EXCLUSION/EJECTION LIST**

The rulemaking process was completed and the final regulations approved at the Commission's November 25, 2008 meeting. The Rulemaking File and Final Statement of Reasons were submitted to OAL for review and approval on December 30, 2008. These regulations implement the statutory mandate to provide for the creation and maintenance of a list of involuntarily excluded persons and to provide for hearings for persons placed on this list. OAL must act to approve or disapprove the regulations by February 13, 2009.

◆ **CREDIT; CHECK CASHING; ATMs; UNCLAIMED OR ABANDONED PROPERTY**

The rulemaking process was completed and the final regulations approved at the Commission's January 8, 2009 meeting. The Rulemaking File and Final Statement of Reasons will be submitted to OAL for review and approval on January 23, 2009. These regulations require that cardrooms comply with all laws regarding issuance of credit or check cashing, and establishes criteria regarding the placement and accessibility of ATMs. Specifies the information licensees must obtain before extending credit to patrons. Describes the procedures that must be followed in cashing patrons' checks and specifies the types of checks that may and may not be cashed by licensees. OAL must act to approve or disapprove the regulations by March 10, 2009.

Describes the responsibilities of licensees in accounting for and disposing of unclaimed or abandoned property left in the care and custody of the licensee. Requires compliance with the Unclaimed Property Law. Provides for deposits to be made into the Gambling Addiction Program Fund, in specified situations, if the Unclaimed Property Law is not applicable.

◆ **MINIMUM INTERNAL CONTROL STANDARDS (MICS)**

These regulations will establish a requirement for licensees to include in their policies and procedures Minimum Internal Control Standards (MICS) for the operation of a

gambling establishment. The MICS include, but are not limited to, administration and accounting controls, segregation of duties, maintenance accurate records, recording all income, safeguarding of assets and records, operational efficiency and integrity, and adherence to prescribed policies and procedures. Because of the volume and complexity of the MICS, the regulations are being pursued in phases.

Phase I of the MICS regulations, Tiers, Drop & Timed Collection; Count & Count Room Functions; and Cage Functions, has been formally noticed and the first 45-day public comment period completed. As a result of the comments received, modifications have been proposed, which are currently being reviewed by the Bureau before publishing a 15-day change notice.

Phase II. Of the MICS regulations, Security & Surveillance, is being finalized for commencement of the formal rulemaking process. The 45-day notice is expected to be published sometime in February of this year.

The other MICS phases will continue to be pursued, as follows:

- II. Gaming Floor Operations & Play of Table Games
- III. Chips, Cards & Other Gambling Equipment
- IV. Personnel & Tips
- V. Information Technology Systems
- VI. Adequate Financing; Players' & Dealers' Banks, and Jackpots

◆ **REMOTE CALLER BINGO** (SB 1369 (Cedillo & Battin et al.), Ch. 748, Stats. 2008)

The Commission is proposing to adopt emergency regulations that will establish a new program for the licensing and regulation of organizations that conduct remote caller bingo games, and the regulation of card-minding devices used in the play of bingo games. The emergency adoption of the proposed regulations in Title 4, Division 18 of the California Code of Regulations will implement the California Remote Caller Bingo Act (Ch. 748, Stats. 2008).

Emergency regulations for the interim approval of bingo card-minding devices were approved by OAL on December 29, 2008, and became effective January 1, 2009. The next step will be commencement of the regular rulemaking process to make these emergency regulations permanent.

Work is continuing on the development of additional emergency regulations for the licensing of organizations and individuals that are involved in conducting remote caller bingo games; manufactures of equipment used for the broadcasting of the remote caller bingo games; and, licensing of manufactures and distributors of remote caller bingo equipment.

◆ **FORMER COMMISSION EMPLOYEES**

The Commission is proposing to adopt a regulation that would implement a designation of affected Commission employees in accordance with subdivision (a) of section 19981 of the Business and Professions Code. The proposed regulation would establish a new section that will designate those Commission employees who are precluded from providing representation of another, for compensation, before the Commission following separation from their employment with the Commission for a period of three years.

The formal rulemaking process has been commenced with the publication of the 45-day notice and the 45-day public comment period has opened.