

STATE OF CALIFORNIA  
GAMBLING CONTROL COMMISSION

**ORIGINAL**

COMMISSION MEETING

California Gambling Control Commission  
2399 Gateway Oaks Drive  
Suite 100  
Sacramento, California 95833  
OCTOBER 20, 2009  
10:00 A.M.

Received by Licensing

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Reported by: Desiree C. Tawney, CSR No. 12414

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APPEARANCES:

DEAN SHELTON  
Chairman

STEPHANIE SHIMAZU  
Commissioner

ALEXANDRA VUKSICH  
Commissioner

JOY CALKIN  
Staff Services Analyst

TERRI A. CIAU  
Executive Director

JOE DHILLON  
Chief Counsel, Legal Division

Public Speakers:

James Allen  
Herb Bolz

1 BE IT REMEMBERED, that on OCTOBER 20, 2009, commencing  
2 at the hour of 10:00 A.M., at the California Gambling  
3 Control Commission, 2399 Gateway Oaks Drive, Suite 100,  
4 Sacramento, California, before me, DESIREE C. TAWNEY,  
5 Certified Shorthand Reporter in and for the county of  
6 Placer, state of California, the following proceedings took  
7 place:

8  
9 (The following proceedings were held on the record.)

10  
11 CHAIRMAN SHELTON: Call the meeting to order. Ask you  
12 to stand for the Pledge of Allegiance, please.

13 (Pledge of Allegiance.)

14 CHAIRMAN SHELTON: Roll call, please.

15 JOY CALKIN: Chairman Shelton?

16 CHAIRMAN SHELTON: Here.

17 JOY CALKIN: Commissioner Shimazu?

18 COMMISSIONER SHIMAZU: Here.

19 JOY CALKIN: Commissioner Vuksich?

20 COMMISSIONER VUKSICH: Here.

21 JOY CALKIN: Thank you.

22 CHAIRMAN SHELTON: Yes, sir.

23 JAMES ALLEN: Good morning, Mr. Chairman. Good  
24 morning, Mr. Chairman and Commissioners.

25 For the record, my name is James Allen and I'm the

1 manager of the Regulatory Actions Unit in the Licensing  
2 Division.

3 Agenda Item 3 concerns the final adoption of the  
4 regulations in Title 4 of the California Code of  
5 Regulations to implement an ongoing license renewal program  
6 for third-party providers and proposition player services,  
7 gambling businesses and their owners, supervisors, players  
8 and other employees. It establishes provisions for the  
9 review and approval of playing book forms for both TPPPPS  
10 and gambling businesses and extends the maximum term of a  
11 TPPPPS contract.

12 In your binders there is a memorandum with staff's  
13 recommendation and an overview of the proposed action, the  
14 proposed regulation text and the summary of the public  
15 comments received. These documents are also available at  
16 the back table for the public.

17 Currently, TPPPPS and gambling businesses are required  
18 to register with the Commission and make a request for  
19 conversion to a license when requested to do so by the  
20 Bureau. The proposed regulations will establish a license  
21 renewal program and -- for third-party proposition player  
22 services, gambling businesses and their owners,  
23 supervisors, players and other employees.

24 TPPPPS playing book forms are currently reviewed and  
25 approved by the Bureau with the initial submission of a

1 contract to provide third-party proposition player services  
2 to a gambling establishment. There is no provision for  
3 approval of amendments to the form once it has been  
4 approved.

5 Current regulations also require gambling businesses  
6 to have their proposed playing book forms approved in  
7 advance by the Bureau. However, there is no established  
8 process for obtaining the initial approval and no provision  
9 for approval of the amendments to the forms once approved.

10 The proposed regulations include provisions for  
11 initial approval of playing book forms for gambling  
12 businesses and for the periodic renewal and approval of  
13 amendments to the playing book forms for both TPPPPS and  
14 gambling businesses.

15 Current regulations establish the maximum term of a  
16 TPPPPS contract at one year. The proposed regulations  
17 include an amendment that extends the maximum term of the  
18 contract from one year to two years.

19 Staff recommends Commission adopt and approve for  
20 filing with the Office of Administrative Law the final text  
21 of the proposed regulations as described in the staff  
22 memorandum included in your binders and authorize staff to  
23 make any necessary nonsubstantive changes that may be  
24 required by OAL during its review process.

25 The public comment period portion of the rulemaking

1 process has been concluded. These regulations have gone  
2 through significant public review and comment, both  
3 informal and formal; specifically, on June 10, 2009 the  
4 proposed regulations were put before the Commission at a  
5 public workshop for consideration and approval to commence  
6 the formal APA rulemaking.

7 The Commission approved going forward with the formal  
8 rulemaking and a formal notice was published on July 3rd,  
9 2009 commencing the 45-day public comment period.

10 On August 20, 2009 following that comment period a  
11 regulation hearing was conducted.

12 And on September 3rd, 2009 modified text was  
13 distributed for a 15-day comment period which ended  
14 September 18, 2009.

15 Just so the record is clear, the public comment  
16 portion of the record is closed. And the Commission will  
17 entertain public comments here today as part of this public  
18 meeting. But any comments received today will be included  
19 in the rulemaking file but those comments will not be  
20 summarized or responded to in the Final Statement of  
21 Reasons.

22 Do the Commissioners have any questions?

23 CHAIRMAN SHELTON: Why don't we see if there is any  
24 public input first.

25 Hearing none, Commissioners?

1 COMMISSIONER SHIMAZU: I have no questions. Make a  
2 motion.

3 CHAIRMAN SHELTON: You have a question?

4 COMMISSIONER SHIMAZU: No questions.

5 CHAIRMAN SHELTON: I don't have one either. Entertain  
6 a motion.

7 COMMISSIONER SHIMAZU: Move to approve staff's  
8 recommendation.

9 COMMISSIONER VUKSICH: Second it.

10 CHAIRMAN SHELTON: Call for the vote.

11 JOY CALKIN: Commission Shimazu?

12 COMMISSIONER SHIMAZU: Aye.

13 JOY CALKIN: Commissioner Vuksich?

14 COMMISSIONER VUKSICH: Aye.

15 JOY CALKIN: Chairman Shelton?

16 CHAIRMAN SHELTON: Aye.

17 JOY CALKIN: Motion carried.

18 JAMES ALLEN: Okay. Mr. Commissioner or Mr. Chairman  
19 and Commissioners, Agenda Item 4 is an APA public hearing  
20 regarding the proposed regulatory action to make permanent  
21 an emergency bingo regulation in Title 4, Division 18 of  
22 the California Code of Regulations.

23 The regulatory action is described in the Notice of  
24 Proposed Action duly published in the California Regulatory  
25 Notice Register on July 10, 2009 and mailed to those on the

1 Commission's regulations mailing list.

2 Specifically, the Commission is proposing to adopt  
3 Section 12482 concerning methods by which the operator of a  
4 bingo game may offer assistance to a player with  
5 disabilities.

6 Before we take public comment, I have just a few  
7 things I need to go over regarding the procedures for this  
8 hearing. First of all, if you have not already done so, I  
9 ask all persons attending this hearing, even if you do not  
10 wish to testify, please sign the register. This is purely  
11 voluntary but we would appreciate having a complete record  
12 of all those in attendance.

13 Under the rulemaking provisions of the Administrative  
14 Procedure Act, this is the time and place for the  
15 presentation of statements, arguments and recommendations  
16 orally or in writing, for or against the proposed  
17 regulations. This is a quasi-legislative proceeding in  
18 which the Commission carries out a rulemaking function  
19 delegated to it by the legislature.

20 This entire proceeding is being recorded. The record  
21 of this hearing as well as all written comments received by  
22 the end of the public comment period will become part of  
23 the rulemaking file.

24 Persons presenting comments, objections and  
25 recommendations will not be sworn in nor will we engage in

1 cross-examination of witnesses.

2 Persons who wish to present comments, objections or  
3 recommendations are asked to come to the podium and use the  
4 microphone to ensure all testimony is recorded and entered  
5 into the record correctly.

6 Before you begin your comments, please identify  
7 yourself by name and spell your last name for the record.

8 The Commission may respond to and discuss any  
9 questions, comments, objections or recommendations received  
10 today. All comments, objections and recommendations will  
11 be considered and the Commission's formal responses will be  
12 included in the Final Statement of Reasons that will be  
13 prepared after the close of the public comment period.

14 The Commission will not formally respond directly to  
15 individuals.

16 The Commission has maintained a rulemaking file for  
17 the proposed regulatory action. A copy of the current file  
18 is contained in a binder at the back table and is available  
19 for public inspection here today.

20 The rulemaking file contains all of the written  
21 comments received as of the close of the written comment  
22 period which was September 30th, 2009 at 5:00 p.m.

23 I'll note for the record the Commission has received  
24 written comments from two parties within that comment  
25 period.

1           Written comments will also be accepted at this  
2 hearing. If anyone has written comments they wish to  
3 present today, you may hand them to me now or at any time  
4 before the close of the hearing.

5           Staff is recommending that the Commission only accept  
6 public comments on the proposed regulatory action at this  
7 hearing and that final adoption and approval for filing  
8 with OAL be considered at a subsequent Commission meeting.

9           Before we continue, are there any questions concerning  
10 the nature of the proceedings or the procedures to be  
11 followed?

12           Hearing none, I'll turn this matter over to Herb Bolz,  
13 senior legal counsel from the Legal Division who I think  
14 will have some brief comments and can answer any questions.

15           HERB BOLZ: Mr. Chairman, Commissioners, Herb Bolz,  
16 B-o-l-z, for the Legal Division.

17           I don't really have too much to add. SB 1369 in  
18 section -- Penal Code Section 326.5(p)(6) authorizes the  
19 Commission to adopt regulations concerning assistance to  
20 players with disabilities in the play of bingo.

21           We've written a regulation. It has been approved  
22 previously. It is very simple by some simple  
23 straightforward ways of assisting people with disabilities  
24 in the play of the game of bingo.

25           I'll be happy to answer any questions.

1 CHAIRMAN SHELTON: Public comment?

2 Okay. Then we move into a 45-day period and you'll  
3 have the opportunity then to comment in writing. Right?

4 JAMES ALLEN: Actually, the -- sorry. Actually, the  
5 45-day public comment closed September 30th.

6 The purpose of the hearing today was to accept oral  
7 comments.

8 If there are none, the record is essentially closed  
9 and we'll prepare a Final Statement of Reasons responding  
10 to the comments that we have.

11 CHAIRMAN SHELTON: Comes back before the Commission  
12 for final approval? Today is not the final approval?

13 JAMES ALLEN: Correct.

14 CHAIRMAN SHELTON: Commissioners?

15 COMMISSIONER SHIMAZU: No.

16 COMMISSIONER VUKSICH: No.

17 CHAIRMAN SHELTON: We don't need a motion, I don't  
18 believe. Just move on. Thank you.

19 You want to speak to Number 5?

20 JAMES ALLEN: Yes, I would. This is going to be very  
21 short.

22 Agenda Item 5 was scheduled as an APA public hearing  
23 regarding proposed regulatory actions to make permanent  
24 another emergency bingo regulation in Title 4 of  
25 Subdivision 18.

1           The regulatory action is described in a Notice of  
2 Proposed Action that was published in the California  
3 Regulatory Notice Register on May 15th, 2009 and  
4 distributed.

5           Specifically, the Commission was proposing to adopt  
6 Section 12486 concerning the interim approval of the bingo  
7 card-minding devices.

8           In view of the recent chaptering of the Senate Bill  
9 126 by Senator Cedillo, Chapter 562 Statutes of 2009, staff  
10 is recommending that this item be tabled and not taken up  
11 at this time.

12           SB 126, among other things, contains a provision that  
13 extends to December 31st, 2011, the effective term of all  
14 emergency bingo regulations that were adopted by the  
15 Commission before July 1, 2009, which includes this  
16 section, Section 12486.

17           SB 126 was an urgency measure and took effect  
18 immediately upon chaptering October 11th, 2009.

19           Since the emergency regulation will remain in effect  
20 for roughly another 26 months, there will be ample time to  
21 pursue the development and adoption of detailed permanent  
22 regulations establishing technical specifications, testing  
23 and certification procedures and appropriate fees for the  
24 approval of the card-minding devices and associated  
25 equipment.

1           And Commission staff is working on that process right  
2 now so --

3           CHAIRMAN SHELTON: Commissioners, you have any  
4 alternative to tabling this and working on the statute? I  
5 don't think we need a motion. We can just move on.

6           JAMES ALLEN: I think so.

7           CHAIRMAN SHELTON: Having said that, right now is the  
8 public comment period. Anyone who would like to address  
9 the Commission, please come forward and do so.

10           This is too quiet today.

11           Move to adjourn.

12           COMMISSIONER SHIMAZU: Second.

13           CHAIRMAN SHELTON: Call for the vote.

14           JOY CALKIN: Commissioner Shimazu?

15           COMMISSIONER SHIMAZU: Aye.

16           JOY CALKIN: Commission Vuksich?

17           COMMISSIONER VUKSICH: Aye.

18           JOY CALKIN: Chairman Shelton?

19           CHAIRMAN SHELTON: Aye.

20           JOY CALKIN: Thank you. Motion carried.

21                   (End of proceedings.)

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CERTIFICATE  
OF  
CERTIFIED SHORTHAND REPORTER

The undersigned certified shorthand reporter of the state of California does hereby certify:

That the foregoing deposition was taken before me at the time and place therein set forth, at which time the witness was duly sworn by me;

That the testimony of the witness and all objections made at the time of the deposition were recorded stenographically by me and thereafter transcribed, said transcript being a true copy of my shorthand notes thereof.

In witness whereof, I have subscribed my name this date 11.13.09

Desiree C. Tawney

Desiree C. Tawney

Certificate Number 12414