

CALIFORNIA GAMBLING CONTROL COMMISSION  
MODIFIED TEXT OF PROPOSED REGULATIONS

MINIMUM INTERNAL CONTROL STANDARDS (MICS) FOR GAMBLING ESTABLISHMENTS:  
GAMBLING FLOOR OPERATIONS AND PLAY OF CONTROLLED GAMES.  
CGCC-GCA-2010-\_\_\_-R

TITLE 4. BUSINESS REGULATIONS.  
DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION.  
CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS.

ARTICLE 1. GENERAL PROVISIONS.

§ 12360. Chapter Definitions.

The definitions in Business and Professions Code section 19805 govern the construction of this chapter. As used in this chapter:

(a) "Gaming activity" has the same meaning as defined in Title 11, CCR, Section 2010, subsection (f).

(b) "House rules" means a set of written policies and procedures, established by a gambling enterprise, which set general parameters ~~for the play of controlled games at the gambling establishment in which the gambling enterprise operates those games~~ under which that gambling enterprise operates. ~~These policies and procedures are in addition to, and should not contradict, the game rules approved by the Bureau for each controlled game.~~

~~(a)~~(c) "Licensee" means "owner licensee" as defined in Business and Professions Code section 19805, subdivision (ac).

~~(b)~~(d) "Security department;" means the operational entity within a gambling establishment that is responsible, but not necessarily solely responsible, for patrol of the public areas of the establishment, and to assist in:

- (1) Maintaining order and security;
- (2) Excluding underage patrons;
- (3) Responding to incidents involving patrons or others;
- (4) Detecting, reporting and deterring suspected illegal activity; and
- (5) Completing incident reports.

~~(e)~~(e) "Surveillance unit;" means the operational system or entity within a gambling establishment that is responsible for the video recording, as may be specified in Article 3 of this chapter, of all

1 activities required to be under surveillance, monitored and/or recorded pursuant to the Act and this  
2 division for the purposes of detecting, documenting and reporting suspected illegal activities,  
3 including suspected gambling by persons under 21 years of age, and assisting the personnel of the  
4 security department in the performance of their duties.

5 NOTE: Authority cited: Section 19811, 19824, 19840, 19841 and 19924, Business and Professions Code. Reference:  
6 Section 19805, 19841, 19860 and 19924, Business and Professions Code.

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8 ARTICLE 3. MINIMUM INTERNAL CONTROL STANDARDS (MICS) FOR GAMBLING ESTABLISHMENTS.

9 **§ 12391. Gambling Floor Operation.**

10 (a) The policies and procedures for all Tiers shall meet or exceed the following standards for  
11 gambling floor operation:

12 (1) Except as provided in Business and Professions Code section 19861, all areas of the gambling  
13 establishment in which controlled games and gaming activity are being conducted shall be open to the  
14 public.

15 (2) ~~In accordance with~~ A gambling enterprise shall comply with the applicable provisions of Title  
16 11, CCR, Section 2050, any gambling enterprise with a gross revenue of \$200,000 or more shall have  
17 ~~on the premises of the gambling establishment, during all hours of operation, a minimum of one owner~~  
18 ~~licensee or key employee who shall have the responsibility and authority to supervise and monitor~~  
19 ~~gambling operations and ensure immediate compliance with the Act, and these regulations, and any~~  
20 ~~other provision of law.~~

21 (3) ~~No~~ A gambling enterprise employee, including any key employee, may participate in any  
22 ~~controlled game or gaming activity~~ during his or her work shift, including paid or unpaid breaks. This  
23 ~~paragraph does not apply to “house prop players” or “public relations players” while participating in a~~  
24 ~~controlled game that does not include a player-dealer position.~~ and a licensee may play any controlled  
25 game on the premises of the gambling establishment for which they are licensed or employed,  
26 provided that he or she:

27 (A) Shall not accept the deal in any controlled game with a rotating player-dealer position;

28 (B) Shall not participate as a player in any gaming activity;

29 (C) Shall not use house funds;

30 (D) Shall not be the house dealer for the controlled game; and,

1 (E) Shall be subject to and comply with all house and game rules applicable to all players  
2 participating in the controlled game, except as otherwise provided in subparagraphs (A) through and  
3 including (D).

4 (4) No licensee or employee of a gambling enterprise shall coerce, threaten, intimidate, or take any  
5 action adversely affecting the terms and conditions of employment of any employee of that gambling  
6 enterprise who does not, or chooses not to, play a controlled game on the premises of the gambling  
7 establishment during his or her non-work hours.

8 ~~(5) No person that holds a license shall play any controlled game on the premises of the gambling~~  
9 ~~establishment for which they are licensed.~~

10 ~~(6)~~(5) The licensee shall, in written or electronic form, maintain a table log, and an employee of the  
11 ~~gambling enterprise who holds a license or permit shall record in that log,~~ the following information,  
12 by shift and by date, all of the following:

13 (A) The gaming tables that were open;

14 (B) The controlled games that were played, the table limit(s) and the collection rate(s) at each open  
15 gaming table;

16 (C) The total amount of time in which all of the hands of a controlled game were played at that  
17 each gaming table was in use;

18 (D) The personnel dealers that were assigned to each work the gaming tables; and

19 (E) The name of all "house prop players" and "public relations players" on duty, along with the  
20 duty hours of each listed by shift start and end times.

21 ~~(7) The licensee shall have the shift supervisor or key employee certify, at least daily, the~~  
22 ~~information contained in the table log specified in paragraph (6). The table log certification shall~~  
23 ~~include the activity period being certified, the date the information is certified, the name and title of~~  
24 ~~the person certifying the information, and be signed under penalty of perjury by the person who~~  
25 ~~certified the information. The penalty of perjury certification shall be in the following form: "I declare~~  
26 ~~under penalty of perjury under the laws of the State of California that the foregoing is true and~~  
27 ~~correct."~~

28 ~~(8) If maintained in written form, individual table log sheets shall be stored chronologically in a~~  
29 ~~binder.~~

30 ~~(9) The specific name of each controlled game and gaming activity, the table limit(s), and the~~  
31 ~~collection rate(s) applicable to each table shall be prominently displayed on that table and clearly~~

1 ~~visible from each seated player's position at the table.~~

2 ~~(10)~~(6) The licensee shall not have ~~on its premises,~~ in any room or combination of rooms where  
3 controlled games or gaming activities are being conducted, more gaming tables than the total number  
4 of tables the licensee is authorized to operate, unless all excess gaming tables are covered, and  
5 prominently labeled or identified as being non-operational.

6 ~~(11)~~(7) A licensee shall adhere to and comply with the terms of a Bureau-approved contract with a  
7 provider of third-party proposition player services that is established pursuant to Sections 12200.7 and  
8 12200.9.

9 ~~(12)~~(8) The purchase or redemption of chips shall be transacted only by those designated gambling  
10 ~~establishment~~ enterprise employees at a cage or on the gambling floor who have received the training  
11 required by section 103.64 of Title 31 of the Code of Federal Regulations. ~~Chips may not be sold to a~~  
12 ~~patron or purchased or redeemed for cash or cash equivalent from a patron by an owner, supervisor,~~  
13 ~~player or other employee of a third-party provider of proposition player services (as defined in Title 4,~~  
14 ~~CCR, Section 12200) or by an owner, supervisor, player or other employee of a gambling business (as~~  
15 ~~defined in Title 4, CCR, Section 12220).~~

16 ~~(13)~~ The licensee shall have policies and procedures in place to ensure compliance with Section  
17 12404.

18 ~~(14)~~(9) A licensee shall adhere to and comply with the applicable provisions of the United States  
19 Code, Title 26, Internal Revenue Code, and all regulations adopted thereto, that relate to the provision  
20 or documentation of complimentary items or services to patrons.

21 ~~Notwithstanding Title 11, CCR, Section 2071, a licensee that provides complimentary items or~~  
22 ~~services to patrons shall, at a minimum, include the following in their policies and procedures:~~

23 ~~(A) Criteria for awarding and redeeming complimentary items or services, including notification to~~  
24 ~~patrons of those criteria;~~

25 ~~(B) Limitation of the authority to approve complimentary items or services to owners or key~~  
26 ~~employees of the gambling enterprise;~~

27 ~~(C) Criteria for the control of, and access to, personal information of those patrons participating in~~  
28 ~~a player rewards program or other patron tracking system;~~

29 ~~(D) Requirements that all complimentary items or services provided to patrons be reported in the~~  
30 ~~accounting records, books and financial statements of the gambling enterprise, and~~

1 ~~(E) Provisions for a licensed or permitted employee of the gambling enterprise to prepare a~~  
2 ~~quarterly written report regarding those complimentary items or services that were provided to patrons~~  
3 ~~during that calendar quarter. The report shall include, at a minimum:~~

- 4 ~~1. The date the complimentary items or services were provided;~~  
5 ~~2. The name of the patron(s) to which the complimentary items or services were provided;~~  
6 ~~3. The cash value of the complimentary items or services that were provided, and~~  
7 ~~4. The name of the owner or key employee who approved the complimentary items or services that~~  
8 ~~were provided.~~

9 ~~(15)~~(10) Except as provided in Section 12388, a licensee shall not provide house funds to any  
10 person for the purposes of playing a controlled game, including but not limited to any of the following:

11 (A) Any person who holds a license associated with the gambling enterprise, issued pursuant to the  
12 Act or these regulations,

13 (B) Employees of the gambling enterprise, whether on or off duty,

14 (C) Patrons of the gambling establishment, except for the purposes of participating in an approved  
15 gaming activity, and

16 (D) Contract employees of the gambling enterprise.

17 (b) In addition to the requirements of subsection (a), the policies and procedures for Tiers II  
18 through and including V shall include the following standards for gambling floor operations:

19 (1) A licensee that utilizes ~~separate rooms~~ more than one room in its gambling establishment to  
20 conduct controlled games ~~and or~~ gaming activities shall, ~~in accordance with~~ Title 11, CCR, Section  
21 2050 notwithstanding, have on the premises at all times that the establishment is open to the public, a  
22 minimum of one key employee for each shift in each ~~separate~~ room, including high limit areas, to  
23 ~~oversee~~ supervise the gambling operation and ensure immediate compliance with the Act and these  
24 regulations. If the gambling operations being conducted in one room are fully observable from  
25 another room where gambling operations are also being conducted, only one key employee is required  
26 to supervise the gambling operations in both rooms.

27 (2) A licensee shall have at least one employee for each shift, for every ~~ten eight~~ poker game  
28 gaming tables or fewer in operation, to ~~oversee~~ monitor the gambling operation at those tables.

29 ~~(3) A licensee shall have at least one employee for each shift, for every five California game tables~~  
30 ~~or fewer in operation, to oversee the gambling operation.~~

1 (c) Licensees shall establish and implement the applicable standards for gambling floor operations  
2 specified in subsections (a) and (b) no later than [the first day of the first full month six months  
3 following the effective date of this section].

4 NOTE: Authority cited: Sections 19801(j), 19801(l), 19811, 19826 (f), 19826(g), 19840, 19841, 19861, 19920 and 19984,  
5 Business and Professions Code. Reference: Sections 19826(g), 19841(b), 19861, 19920 and 19984, Business and  
6 Professions Code.

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8 **§ 12392. Play of Controlled Games.**

9 The policies and procedures for all Tiers shall meet or exceed the following standards for the play  
10 of controlled games:

11 (a) A licensee shall adopt and implement house rules, written, at a minimum, in English, which  
12 ~~ensure~~ promote the fair and honest play of all controlled games and gaming activity, and which at a  
13 minimum:

14 ~~(1) The house rules shall allow.~~ Allow for the operation of only those games that are permitted by  
15 local ordinance and state and federal laws and regulations; ~~House rules must be readily available and~~  
16 ~~provided upon request to patrons and the Bureau.~~

17 ~~(b)(2) A licensee's house rules shall address.~~ Address player conduct and etiquette and general rules  
18 so as to ~~ensure~~ promote the orderly conduct and control of controlled games;

19 ~~(c)(3) To help prevent cheating, a licensee's house rules shall include.~~ Include provisions that  
20 discourage players from speaking, during the play of a hand, in ~~languages different from that which is~~  
21 ~~customarily spoken in that gambling establishment, unless all persons at the gambling table and the~~  
22 ~~key employee on duty understand and agree to the use of another language.~~ a language that is not  
23 understood by all persons at the gaming table, including all players, the dealer, and the employees  
24 responsible for supervising and monitoring that gaming table;

25 (4) Shall be in addition to, and shall not conflict with the game rules approved by the Bureau for  
26 each controlled game; and,

27 ~~(d)(5) Where applicable during the course of play in any controlled game, a licensee's house rules~~  
28 ~~shall include policies and procedures that~~ address the following:

29 ~~(1)~~ (A) Customer conduct,

30 ~~(2)~~ (B) Table policies,

31 ~~(3)~~ (C) Betting and Raising,

32 ~~(4)~~ (D) "Misdeals,"

1 ~~(5)~~(E) Irregularities,  
2 ~~(6)~~(F) “The Buy-In,”  
3 ~~(7)~~(G) “Tied Hands,”  
4 ~~(8)~~(H) “The Showdown,”  
5 ~~(9)~~(I) Player Seating and Seat Holding, and  
6 ~~(10)~~(J) Patron Disputes.  
7 (b) House rules must be readily available and provided upon request to patrons and the Bureau.  
8 ~~(e)~~(c) Licensees shall establish and implement the applicable standards for the play of controlled  
9 games specified in subsections (a) ~~through and including (d)~~ and (b) no later than [the first day of the  
10 first full month six months following the effective date of this section].

11 NOTE: Authority cited: Sections 19801(l), 19811, 19826 (f), 19826(g), 19840, 19841 and 19920, Business and  
12 Professions Code. Reference: Sections 19826(g), 19841(b) and 19920, Business and Professions Code.

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