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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~~ HOUSE RULES.  
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 under which that gambling enterprise operates.

~~(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 activities required to be under surveillance, monitored and/or recorded pursuant to the Act and this division for the purposes of detecting, documenting and reporting suspected illegal activities,

1 including suspected gambling by persons under 21 years of age, and assisting the personnel of the  
2 security department in the performance of their duties.

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

5

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

7 **§ 12391. Gambling Floor Operation.**

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

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

13 (2) A gambling enterprise shall comply with the applicable provisions of Title 11, CCR, Section  
14 2050.

15 (3) A gambling enterprise employee, ~~including a key employee, during his or her work shift, and a~~  
16 or licensee, on or off duty, may play any controlled game that does not include a player-dealer position  
17 on the premises of the gambling establishment for which ~~they are licensed or employed~~ he or she is  
18 employed or licensed, provided that he or she:

19 (A) Shall not ~~accept the deal in any controlled game with a rotating player-dealer position~~ share in  
20 the prize winnings of any gaming activity;

21 (B) Shall not ~~participate as a player in any gaming activity~~ be the house dealer in any game where  
22 he or she is participating;

23 (C) ~~Shall not use house funds;~~ Shall, if a gambling enterprise employee or key employee, display  
24 clearly on his or her person a work permit or key employee badge issued by the Commission or a local  
25 jurisdiction; and,

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

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

30 (4) A gambling enterprise employee, key employee or licensee shall not participate in any  
31 California game, whether on or off duty, on the premises of the gambling establishment for which they  
32 are employed or licensed.

1 ~~(4)~~(5) No licensee or employee of a gambling enterprise shall coerce, threaten, intimidate, or take  
2 any action adversely affecting the terms and conditions of employment of any employee of that  
3 gambling enterprise who does not, or chooses not to, play a controlled game on the premises of the  
4 gambling establishment ~~during his or her non-work hours.~~

5 ~~(5)~~(6) ~~The~~A licensee shall, in written or electronic form, maintain and make immediately available  
6 to the Bureau upon request the following information, by shift and by date:

7 (A) The gaming tables that were open;

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

9 (C) The total amount of time that each gaming table was in use;

10 (D) The dealers that were assigned to work the gaming tables; and

11 (E) The name of all “house prop players” and “public relations players” on duty.

12 ~~(6)~~(7) ~~The~~A licensee shall not have in any room or combination of rooms where controlled games  
13 or gaming activities are being conducted, more gaming tables than the total number of tables the  
14 licensee is authorized to operate, unless all excess gaming tables are covered, and are prominently  
15 labeled or identified as being non-operational and are under continuous recorded video surveillance, in  
16 accordance with paragraph (1), subsection (a) of Section 12396.

17 ~~(7)~~(8) A licensee shall adhere to and comply with the terms of a Bureau-approved contract with a  
18 provider of third-party proposition player services that is established pursuant to Sections 12200.7 and  
19 12200.9.

20 ~~(8)~~(9) The purchase or redemption of chips shall be transacted at the cage or on the gambling floor  
21 only by those designated gambling enterprise employees ~~at a cage or on the gambling floor~~ who have  
22 received the training required by section 103.64 of Title 31 of the Code of Federal Regulations. ~~The~~A  
23 licensee shall have policies and procedures in place to ensure compliance with Section 12404 of  
24 Article 4.

25 ~~(9)~~(10) A licensee shall ~~adhere to and comply with the applicable provisions of the United States~~  
26 ~~Code, Title 26, Internal Revenue Code, and all regulations adopted thereto, that relate to the provision~~  
27 ~~or documentation of complimentary items or services to patrons.~~ establish polices and procedures for:

28 (A) Awarding complimentary items or services, including identifying who within the gambling  
29 enterprise is authorized to award complimentary items or services and who is authorized to access  
30 patron data regarding complimentary items or services; and,

31 (B) Accounting for complimentary items or services with an individual value of \$50 or more and  
32 an aggregate value of \$250 or more awarded in a calendar month to any person.

1 ~~(10)~~(11) Except as provided in Section 12388, a licensee shall not provide house funds to any  
2 person for the purposes of playing a controlled game, including but not limited to any of the following:

3 (A) Any person who holds a license associated with the gambling enterprise, issued pursuant to the  
4 Act or ~~these regulations~~ this division,

5 (B) ~~Any E~~employees of the gambling enterprise, whether on or off duty,

6 (C) ~~Any P~~patrons of the gambling establishment, except for the purposes of participating in an  
7 approved gaming activity, and

8 (D) ~~Any C~~contract employees of the gambling enterprise.

9 (b) In addition to the requirements of subsection (a), the policies and procedures for Tiers II  
10 through and including V shall include ~~the following~~ standards for gambling floor operations that  
11 provide for:

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

19 ~~(2) A licensee shall have~~ at least one key employee for each shift, for every eight gaming tables or  
20 fewer in operation, to ~~monitor~~ supervise the gambling operation and ensure immediate compliance  
21 with the Act and these regulations at those tables.

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

25 NOTE: Authority cited: Sections 19801(l), 19811, 19826 (f), 19826(g), 19840, 19841, 19861, 19920 and 19984, Business  
26 and Professions Code. Reference: Sections 19801(a), 19801(g), 19801(h), 19801(j), 19801(l), 19805(c), 19823, 19826(g),  
27 19841(b), 19841(d), 19841(g)(2), 19841(h), 19841(k), 19841(o), 19841(p), 19861, 19914(a)(2), 19920, 19924 and 19984,  
28 Business and Professions Code; Sections 330 and 330.11, Penal Code.

29  
30 **§ 12392. ~~Play of Controlled Games~~ House Rules.**

31 The policies and procedures for all Tiers shall meet or exceed the following standards for ~~the play~~  
32 ~~of controlled games~~ house rules:

1        (a) A licensee shall adopt and implement house rules, written, at a minimum, in English, which  
2 promote the fair and honest play of all controlled games and gaming activity, and which at a  
3 minimum:

4        (1) Allow for the operation of only those games that are permitted by local ordinance and state and  
5 federal laws and regulations;

6        (2) Address player conduct and etiquette and general rules so as to promote the orderly conduct  
7 and control of controlled games;

8        (3) Include provisions that discourage players from speaking, during the play of a hand, in a  
9 language that is not understood by all persons at the gaming table, ~~including all players, the dealer, and~~  
10 ~~the employees responsible for supervising and monitoring that gaming table;~~

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

13        (5) Where applicable during the course of play in any controlled game, address the following:

14        (A) Customer conduct,  
15        (B) Table policies,  
16        (C) Betting and Raising,  
17        (D) “Misdeals,”  
18        (E) Irregularities,  
19        (F) “The Buy-In,”  
20        (G) “Tied Hands,”  
21        (H) “The Showdown,”  
22        (I) Player Seating and Seat Holding, and  
23        (J) Patron Disputes.

24        (b) ~~A licensee’s~~ ~~H~~house rules must be readily available and provided upon request to patrons and  
25 the Bureau.

26        (c) Licensees shall establish and implement the applicable standards for ~~the play of controlled~~  
27 ~~games~~ ~~house rules~~ specified in subsections (a) and (b) no later than *[the first day of the first full month*  
28 *six months following the effective date of this section].*

29        NOTE: Authority cited: Sections 19801(l), 19811, 19826 (f), 19826(g), 19840, 19841 and 19920, Business and  
30 Professions Code. Reference: Sections 19801(g), 19801(h), 19823, 19826(g), 19841(b), 19841(h), 19841(o), 19841(p)  
31 and 19920, Business and Professions Code.