

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33

CALIFORNIA GAMBLING CONTROL COMMISSION
MODIFIED TEXT OF PROPOSED REGULATIONS

MINIMUM INTERNAL CONTROL STANDARDS (MICS) FOR GAMBLING ESTABLISHMENTS:
GAMBLING FLOOR OPERATIONS AND 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, ~~or key employee or licensee, on or off duty, may play~~ shall
16 not play, while on duty, any controlled game that does not include a player-dealer position on the
17 premises of the gambling establishment for which he or she is employed. ~~or licensed, A gambling~~
18 enterprise employee or key employee, while off duty, and a licensee, at any time, may play any
19 controlled game that does not include a player-dealer position provided that he or she:

20 (A) Shall not share in the prize winnings of any gaming activity;

21 (B) Shall not be the house dealer in any game where he or she is participating;

22 (C) Shall, if a gambling enterprise employee or key employee, display clearly on his or her person
23 a work permit or key employee badge issued by the Commission or a local jurisdiction; and,

24 (D) Shall be subject to and comply with all house and game rules applicable to all players
25 participating in the controlled game.

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

29 (5) No licensee or employee of a gambling enterprise shall coerce, threaten, intimidate, or take any
30 action adversely affecting the terms and conditions of employment of any employee of that gambling
31 enterprise who does not, or chooses not to, play a controlled game on the premises of the gambling
32 establishment.

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

3 (A) The gaming tables that were open;

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

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

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

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

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

13 (8) A licensee shall adhere to and comply with the terms of a Bureau-approved contract with a
14 provider of third-party proposition player services that is established pursuant to Sections 12200.7 and
15 12200.9.

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

20 (10) A licensee shall establish policies and procedures for:

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

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

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

28 (A) Any person who holds a license associated with the gambling enterprise, issued pursuant to the
29 Act or this division,

30 (B) Any employees of the gambling enterprise, whether on or off duty,

31 (C) Any patrons of the gambling establishment, except for the purposes of participating in an
32 approved gaming activity, and

1 (D) Any contract employees of the gambling enterprise.

2 (b) In addition to the requirements of subsection (a), the policies and procedures for Tiers II
3 through and including V shall include standards for gambling floor operations that provide for, Title
4 11, CCR, Section 2050 notwithstanding, at least one key employee for each shift, for every ~~eight~~^{seven}
5 gaming tables or fewer in operation, to supervise the gambling operation and ensure immediate
6 compliance with the Act and these regulations at those tables.

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

10 NOTE: Authority cited: Sections 19801(l), 19811, 19826 (f), 19826(g), 19840, 19841, 19861, 19920 and 19984, Business
11 and Professions Code. Reference: Sections 19801(a), 19801(g), 19801(h), 19801(j), 19801(l), 19805(c), 19823, 19826(g),
12 19841(b), 19841(d), 19841(g)(2), 19841(h), 19841(k), 19841(o), 19841(p), 19861, 19914(a)(2), 19920, 19924 and 19984,
13 Business and Professions Code; Sections 330 and 330.11, Penal Code.

14
15 **§ 12392. House Rules.**

16 The policies and procedures for all Tiers shall meet or exceed the following standards for house
17 rules:

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

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

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

25 (3) Include provisions that discourage players from speaking, during the play of a hand, in a
26 language that is not understood by all persons at the gaming table;

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

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

30 (A) Customer conduct,

31 (B) Table policies,

32 (C) Betting and Raising,

33 (D) "Misdeals,"

1 (E) Irregularities,
2 (F) “The Buy-In,”
3 (G) “Tied Hands,”
4 (H) “The Showdown,”
5 (I) Player Seating and Seat Holding, and
6 (J) Patron Disputes.
7 (b) A licensee’s house rules must be readily available and provided upon request to patrons and the
8 Bureau.
9 (c) Licensees shall establish and implement the applicable standards for house rules specified in
10 subsections (a) and (b) no later than [the first day of the first full month six months following the
11 effective date of this section].
12 NOTE: Authority cited: Sections 19801(l), 19811, 19826 (f), 19826(g), 19840, 19841 and 19920, Business and
13 Professions Code. Reference: Sections 19801(g), 19801(h), 19823, 19826(g), 19841(b), 19841(h), 19841(o), 19841(p)
14 and 19920, Business and Professions Code.