

COMMENT AND RESPONSE SUMMARIES FOR PROPOSED REGULATIONS

PORTABLE PERSONAL KEY EMPLOYEE LICENSES CGCC-GCA-2009-08-R

45-DAY COMMENT PERIOD ENDING JANUARY 18, 2010

The following written comments/objections/recommendations were made regarding the proposed action, in writing, during the 45-day public comment period ending January 18, 2009. References to the proposed regulation text are to the attached 45-day text entitled “Specific Language of Proposed Regulations,” dated November 2, 2009.

1. As amended by this action, Section 12345, Page 7, Line 23 requires all applications for renewal of gambling licenses for a particular gambling establishment to be submitted together as a single package to the California Gambling Control Commission.

Bureau of Gambling Control (Bureau): Recent legislation now defines the term “gambling enterprise” and it should replace the term “gambling establishment” when referring to the business conducting a gambling operation. The term “gambling establishment” refers to the building/premises where gambling operations occur. Therefore, the word “establishment” should be replaced with the word “enterprise.”

Response: This comment should be accepted and the proposed text modified to accommodate it. In the future, the Commission will review all of its regulations and, where the terms “gambling establishment” and “gambling enterprise” are used, will make the appropriate changes in those terms.

2. As added by this action, Section 12352, Page 14, Line 2 requires a licensee to notify the Commission of a change in employment at a gambling establishment. Section 12353, Page 15, Line 13; requires key employee licenses to be presented, upon request, to anyone requesting verification of a valid license, including the employee’s gambling establishment. As amended by this action, Section 12354, Page 16, Lines 3 and 10; Page 17, Lines 17 and 22; and Page 18, Lines 7, 9 and 13, .refer to interim key employee licenses and work permits for a gambling establishment and notification procedures.

Bureau: Recent legislation now defines the term “gambling enterprise” and it should replace the term “gambling establishment” when referring to the business conducting a gambling operation. The term “gambling establishment” refers to the building/premises where gambling operations occur. Therefore, the word “establishment” should be replaced with the word “enterprise.”

Response: This comment should be accepted and the proposed text modified to accommodate it. In the future, the Commission will review all of its regulations and, where the terms “gambling establishment” and “gambling enterprise” are used, will make the appropriate changes in those terms.

3. As added by this action, Section 12351, Page 13, Line 1 indicated that if the Bureau conducts an investigation, it shall submit a written report concerning the renewal application to the Commission no later than 45 days prior to the expiration of the current license, unless that application is filed with the Commission less than 120 days prior to the expiration of the current license.

Bureau: The Bureau suggests using the same language as is used in Section 1234[5], page 8, line 21. It should read, “The Bureau shall submit its written report concerning the renewal application, which may include a recommendation pursuant to Business and Professions Code section 19826, subdivision (a), ...”

Response: This comment should be accepted, in part, and the proposed text modified to accommodate it. Section 12351, subsection (c), paragraph (4), should be modified to conform to the current Bureau/Commission practice regarding reports and recommendations for key employee license renewals. Full background investigations are not generally required for key employee license renewals and no report is necessary. Only when information contained in the renewal application or obtained independently indicates a need for further investigation is one performed. A recommendation would only be made if the Bureau, through an investigation, determined that it would be appropriate to deny, limit, condition or restrict the license. However, this practice is not totally comparable to the process used in the renewal of gambling licenses; therefore, the language of Section 12345 is not appropriate in this instance.

While not specifically addressed in the Bureau’s comments regarding Section 12351, the Bureau has previously expressed concern for being held to the 45-day requirement for submission of their report when renewal applications are not submitted timely. To address this concern and the practice described immediately above, the Commission and Bureau agreed, in a separate rulemaking action concerning a different license category, to the following language:

“If the Bureau conducts an investigation, it shall submit a written report concerning the renewal application, which may include a recommendation pursuant to Business and Professions Code section 19826, subdivision (a), to the Commission no later than 45 days prior to the expiration of the current license, unless that application is filed with the Commission less than 120 days prior to the expiration of the current license.”

It is recommended that this same language be used in Section 12351(c)(4).