

## **Reactivation of Expired Gambling Licenses; Surrender; Abandonment**

California Gambling Control Commission Regulation Workshop  
Overview of Draft Text 1/06/10

### **All Gambling Licenses**

- Beginning with the effective date of these regulations, if a renewal application is not submitted at least 120 days in advance of the expiration of the license, and consequently, the Bureau and the Commission cannot complete their review and approval of the application, the cardroom must cease operations on the expiration date of the license and cannot resume operations until the Commission approves the renewal application [*Section 12345 (c) (page 3, lines 12-18)*].

### **Gambling Licenses Abandoned AFTER the Effective Date of These Regulations**

- If a complete renewal application, including all required fees, has not been submitted to the Commission within 10 days after the expiration of the current license, the license shall be deemed abandoned [*Section 12345(d) (page 3, lines 19-22)*].
- An abandoned gambling license is subject to the following [*Section 12348(b) (page 4, lines 4-14)*]:
  - The license cannot be reactivated, reinstated, reissued, or renewed.
  - The gambling enterprise is no longer eligible to conduct any gambling operation under that license.
  - The license holder may not sell the cardroom business.
  - The moratorium provisions of the Gambling Control Act will prevent any person from operating that cardroom, as long as the moratorium is in effect.

### **Gambling Licenses Surrendered AFTER the Effective Date of These Regulations**

- A licensee may propose to surrender a gambling license at any time prior to the expiration of the license. A written request must be made to the Commission. The Commission will consider the request at the next available Commission meeting. A proposed surrender will be considered on its individual merits and the Commission will vote to approve or reject the surrender [*Section 12348(a) (page 3, lines 28-32; and page 4, lines 1-3)*].
- A surrendered gambling license (which has been approved by the Commission) is subject to the following [*Section 12348(b) (page 4, lines 4-14)*]:
  - The license cannot be reactivated, reinstated, reissued, or renewed.
  - The gambling enterprise is no longer eligible to conduct any gambling operation under that license.
  - The license holder may not sell the cardroom business.
  - The moratorium provisions of the Gambling Control Act will prevent any person from operating that cardroom, as long as the moratorium is in effect.

**Gambling Licenses Surrendered, Abandoned, or Expired without Being Renewed PRIOR TO the Effective Date of These Regulations**

- A surrendered or expired gambling license may be reactivated under the following guidelines [*Section 12349(a) (page 4, lines 17-28)*]:
  - The applicant to reinstate the license must be the last licensed owner of a gambling establishment that had a licensed owner as of December 31, 1999, or whose owner had an application on file prior to September 1, 2000.
  - The applicant must notify the Commission within 30 days of the effective date of this regulation of the intent to apply for reinstatement.
  - The applicant must submit all forms, fees, and required documentation within 12 months of the effective date of this section.
  
- The applicant must submit the following documentation in order to be eligible for reinstatement of the license [*Section 12349(b) (page 4, lines 29-30; and page 5, lines 1-21)*]:
  - A copy of the last license issued to the applicant;
  - A written explanation detailing the circumstances surrounding the surrender of or failure to renew the previous license (*this is a new requirement and was not included in the previous draft*);
  - A copy of the current applicable local gambling ordinance;
  - An opinion from the chief legal officer of the local jurisdiction certifying that the reopening of the gambling establishment is authorized by and consistent with the local gambling ordinance;
  - A copy of a formal resolution or other evidence satisfactory to the Commission, adopted by the applicable city council, board of supervisors, or other local governing authority which clearly states a willingness to issue a local license to the applicant, contingent upon issuance of a state license;
  - A statement signed by the chief law enforcement officer of the local jurisdiction confirming that he or she supports the reopening of the gambling establishment;
  - An economic feasibility study.
  
- When considering a request to reactivate a license, the Commission shall consider at least the following [*Section 12349(c) (page 5, lines 22-31; and page 6, lines 1-5)*]:
  - Whether the issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the license will undermine public trust that the gambling operations with respect to which the license would be issued are free from criminal and dishonest elements and would be conducted honestly (Business and Professions Code section 19856(c)).
  - The circumstances surrounding the surrender or failure to renew the previously held license (*this is a new requirement and was not included in the previous draft*).
  - The potential impact a reopened cardroom may have on the incidence of problem gambling.
  - The potential impact on the local economy, including revenues to the local jurisdiction and the number of jobs that may be created.

- The economic impact on cardrooms in neighboring jurisdictions.
- The gambling establishment must be located in the same jurisdiction as previously located [*Section 12349(d) (page 6, lines 4-5)*].
- The Commission will not issue temporary licenses to applicants for a reinstated license [*Section 12349(e) (page 6, line 6)*].