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1 CALIFORNIA GAMBLING CONTROL COMMISSION
2 SPECIFIC LANGUAGE OF PROPOSED REGULATIONS
3 MINIMUM INTERNAL CONTROL STANDARDS (MICS) FOR GAMBLING ESTABLISHMENTS:
4 GAMBLING FLOOR OPERATIONS AND HOUSE RULES
5 CGCC-GCA-2011-0X-R
6

7 TITLE 4. BUSINESS REGULATIONS.

8 DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION.

9 CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS.

10
11 ARTICLE 1. GENERAL PROVISIONS.

12 **§ 12360. Chapter Definitions.**

13 Except as otherwise provided in Section 12002 of these regulations, ~~the~~ definitions in
14 Business and Professions Code section 19805 govern the construction of this chapter. As used in
15 this chapter:

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

18 (b) "House rules" means a set of written policies and procedures, established by a gambling
19 enterprise, which set general parameters under which that gambling enterprise operates the play
20 of controlled games.

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

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

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

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1 controlled games on the premises of the gambling establishment for which he or she is
2 employed, shall comply with all house and game rules applicable to the game being played and
3 all laws and regulations applicable to the play of controlled games.

4 (4) No licensee or employee of a gambling enterprise shall, as a consequence of an
5 employee's refusal to play a controlled game, coerce, take or threaten to take any action
6 adversely affecting the terms and conditions of employment for that employee. This paragraph
7 does not apply to "house prop players" or "public relations players" whose duties include the
8 play of controlled games. This paragraph does not create any new civil liability.

9 (5) A licensee shall, in written or electronic form, maintain the following information, by
10 shift and by date:

11 (A) The gaming tables that were open;

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

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

15 (D) The names of the "house dealers" that were assigned to work the gaming tables.

16 (6) The information required by paragraph (5) shall be made available to the Bureau within
17 two hours of the Bureau's request when the request is made during normal business hours. If the
18 Bureau's request is made after normal business hours, the information shall be made available to
19 the Bureau no later than two hours after the start of the next business day.

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

25 (8) The purchase or redemption of chips shall be transacted only by those designated
26 gambling enterprise employees who have received the training required by section 103.64 of
27 Title 31 of the Code of Federal Regulations. A licensee shall have policies and procedures in
28 place to ensure compliance with Section 12404 of Article 4.

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

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1 following:

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

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

5 (C) Any patrons of the gambling establishment, except for the purposes of participating in an
6 approved gaming activity;

7 (D) Any contract employees of the gambling enterprise, except payments made to a third-
8 party provider of proposition player services in accordance with a Bureau-approved contract,
9 pursuant to Section 12200.9; and

10 (E) Any business entity that sponsors any gaming activity or tournament operated by the
11 licensee.

12 (b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III
13 through and including V shall include standards for gambling floor operations that provide for,
14 Title 11, CCR, Section 2050 notwithstanding, at least one licensee or key employee to be on the
15 premises at all times that the gambling establishment is open to the public to supervise the
16 gambling operation and ensure immediate compliance with the Act and these regulations.

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

20 NOTE: Authority cited: Sections 19801(l), 19811, 19826 (f), 19826(g), 19840, 19841, 19861, 19920 and 19984,
21 Business and Professions Code. Reference: Sections 19801(a), 19801(g), 19801(h), 19801(j), 19801(l), 19805(c),
22 19823, 19826(g), 19841(b), 19841(d), 19841(g)(2), 19841(h), 19841(k), 19841(o), 19841(p), 19861, 19914(a)(2),
23 19920, 19924 and 19984, Business and Professions Code; Sections 330 and 330.11, Penal Code.

24 § 12392. House Rules.

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

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

30 (1) Allow for the operation of only those games that are permitted by local ordinance and
31 state and federal laws and regulations;
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1 (2) Address player conduct and etiquette and general rules so as to promote the orderly
2 conduct and control of controlled games and gaming activities;

3 (3) Include provisions that discourage players, during the play of a hand, from speaking in a
4 language, or using any other form of communication, that is not understood by all persons at the
5 gaming table;

6 (4) Shall be in addition to, and shall not conflict with, the game rules approved by the Bureau
7 for each controlled game or gaming activity; and,

8 (5) Where applicable during the play of any controlled game or gaming activity, address the
9 following:

10 (A) Customer conduct,

11 (B) Table policies,

12 (C) Betting and Raising,

13 (D) "Misdeals,"

14 (E) Irregularities,

15 (F) "The Buy-In,"

16 (G) "Tied Hands,"

17 (H) "The Showdown,"

18 (I) "House Way,"

19 (J) Player Seating and Seat Holding, and

20 (K) Patron Disputes.

21 (b) A licensee's house rules must be readily available and provided upon request to patrons
22 and the Bureau.

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

26 NOTE: Authority cited: Sections 19801(l), 19811, 19826 (f), 19826(g), 19840, 19841 and 19920, Business and
27 Professions Code. Reference: Sections 19801(g), 19801(h), 19823, 19826(g), 19841(b), 19841(h), 19841(o),
28 19841(p) and 19920, Business and Professions Code.