

1 CALIFORNIA GAMBLING CONTROL COMMISSION  
2 **FINAL TEXT OF PROPOSED REGULATIONS**

3 (WITH OPTIONS)

4 MINIMUM INTERNAL CONTROL STANDARDS (MICS) FOR GAMBLING ESTABLISHMENTS:

5 GAMBLING FLOOR OPERATIONS AND HOUSE RULES

6 CGCC-GCA-2011-02-R

7 TITLE 4. BUSINESS REGULATIONS.

8 DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION.

9 Chapter 7. Conditions of Operation for Gambling Establishments.

10 ARTICLE 1. GENERAL PROVISIONS.

11 **§ 12360. Chapter Definitions.**

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

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

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

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

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

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

30 ~~(e)~~(e) “Surveillance unit~~;~~” means the operational system or entity within a gambling

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1 establishment that is responsible for the video recording, as may be specified in Article 3 of this  
2 chapter, of all activities required to be under surveillance, monitored and/or recorded pursuant to  
3 the Act and this division for the purposes of detecting, documenting and reporting suspected  
4 illegal activities, including suspected gambling by persons under 21 years of age, and assisting  
5 the personnel of the security department in the performance of their duties.

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

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

11 **§ 12391. Gambling Floor Operation.**

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

14 (1) Except as provided in Business and Professions Code sections 19844, 19845, 19861 and  
15 19921, all areas of the gambling establishment in which controlled games and gaming activity  
16 are being conducted shall be open to the public.

17 (2) No licensee or employee of a gambling enterprise shall, as a consequence of an  
18 employee's refusal to play a controlled game, coerce, take or threaten to take any action  
19 adversely affecting the terms and conditions of employment for that employee. This paragraph  
20 does not create any new civil liability.

21 ...

22 **OPTION 1-a:**

23 (3) A licensee shall, either in writing or electronically, maintain the following information by  
24 shift and by date:

25 (A) The gaming tables that were open;

26 (B) The name and Bureau approval number for each of the controlled games that were played  
27 and the collection rate(s) at each open gaming table;

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

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

30 (4) The information specified in paragraph (5) shall be made available to the Bureau within a

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1 reasonable period of time, but no later than the licensee's normal close of administrative business  
2 operations on the next workday, following the Bureau's request.

3 **OR**

4 **OPTION 1-b:**

5 *[Delete paragraphs (3) and (4) entirely and renumber paragraphs (5) and (6) accordingly.]*

6 ...

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

12 (6) The sale or redemption of chips shall be transacted only by those designated gambling  
13 enterprise employees who have received the training required by section 103.64 of Title 31 of the  
14 Code of Federal Regulations. A licensee shall have policies and procedures in place to ensure  
15 compliance with Section 12404 of Article 4.

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

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

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

28  
29 **§ 12392. House Rules.**

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

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

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

6 ...

7 **OPTION 2-a:**

8 (2) Include provisions that discourage collusion, which may include provisions for a specific  
9 spoken language and player communication generally, at a table during the play of a hand; and,

10 **OR**

11 **OPTION 2-b:**

12 (2) Include provisions that are designed to deter collusion; and,

13 ...

14 (3) Where applicable during the play of any controlled game or gaming activity, shall address  
15 the following:

16 (A) Player conduct,

17 (B) Table policies,

18 (C) Betting and Raising,

19 (D) “Misdeals,”

20 (E) Irregularities,

21 (F) “The Buy-In,”

22 (G) “Tied Hands,”

23 (H) “The Showdown,”

24 (I) “House Way,”

25 (J) Player Seating and Seat Holding, and

26 (K) Patron Disputes.

27 (b) A licensee’s house rules shall be in addition to, and shall not conflict with, the game rules  
28 approved by the Bureau for any controlled game or gaming activity.

29 (c) A licensee’s house rules must be readily available and provided upon request to patrons  
30 and the Bureau.

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

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

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