

CALIFORNIA GAMBLING CONTROL COMMISSION

INITIAL STATEMENT OF REASONS

CGCC-GCA-2014-01-R

HEARING DATE: **None Scheduled**

SUBJECT MATTER OF PROPOSED REGULATIONS: **Remote Caller Bingo; Commission Authorized of Eligible Organizations**

SECTIONS AFFECTED: **California Code of Regulations, Title 4, Division 18: Section 12505.**

SPECIFIC PURPOSE OF REGULATORY PROPOSAL:

INTRODUCTION:

The California Gambling Control Commission (Commission) is proposing regulation changes regarding the current process involving the authorization of organizations to conduct remote caller bingo games by requiring only the initial Statement of Eligibility to Conduct Remote Caller Bingo, BCG-618, to be presented to the Commission at a noticed meeting. The annual submission of the Statement of Eligibility to Conduct Remote Caller Bingo to reflect changes, if any, from the most recent authorization would no longer require approval by the Commission. This annual review is a purely administrative task to update an organization's information and does not require Commission approval.

This proposed action would amend Section 12505 in Chapter 8 of Division 18 of Title 4 of the California Code of regulations, which contains the current organization authorization process.

BACKGROUND:

In 2008, the California legislature authorized remote caller bingo as a game that would allow specific nonprofit organizations to use audio or video technology to remotely link designated in-state facilities to conduct live bingo games. This was intended to provide nonprofit organizations an opportunity to increase their fundraising ability by permitting remote caller bingo, which allows charities across the State to combine their games and offer larger prizes than permitted under current law. An organization must be authorized by the Commission prior to conducting a remote caller bingo game in accordance with Penal Code section 326.3, subdivision (j).

PROBLEM ADDRESSED:

The Commission is authorized to adopt regulations governing the licensing of individuals and the authorization of organizations to conduct remote caller bingo in California.¹ Specifically, the Commission is mandated by the Penal Code² to authorize organizations that meet statutory requirements³ before those organizations may conduct a remote caller bingo game.

While a process to authorize organizations applying to conduct remote caller bingo games was previously established, the need to update this process has become apparent. As the program has progressed, the Commission and the Bureau of Gambling Control (Bureau)⁴ have recognized that the review of the annual submission of the Statement of Eligibility to Conduct Remote Caller Bingo, BGC-618, is an administrative activity that does not require Commission approval. The annual submission serves only as an update of information relating to a previously authorized organization, and approval of this information is unnecessary.

PURPOSE:

This proposed regulation has been prepared to make the authorization process more efficient by maintaining required Commission approval of the initial application for organization authorization, but eliminating the need for Commission approval of the administrative task of reviewing subsequent annual information updates.

ANTICIPATED BENEFITS OF PROPOSED REGULATION:

This proposed regulation will have the benefit of creating a more streamlined and efficient process for processing the annual updates of the eligibility statements submitted by previously authorized organizations conducting or participating in remote caller bingo games.

PROPOSED ACTION:

This proposed action will make changes within Chapter 8, Division 18, Title 4 of the California Code of Regulations. The proposed changes are as follows:

Amend Section 12505. Authorization of Organizations Conducting Remote Caller Bingo Games.

This proposed action would revise the current procedure of Section 12505 to continue the authorization of organizations at a noticed hearing upon an initial submission of the Statement of Eligibility to Conduct Remote Caller Bingo, BGC-618, but remove the requirement for the Commission to approve the purely administrative task of annual updates

¹ Business and Professions Code section 19850.5, Penal Code section 326.3.

² Penal Code section 326.3(j).

³ Penal Code section 326.3(b).

⁴ In the Act (Bus. & Prof. Code section 19800 et seq.) and Penal Code section 326.3, “department” refers to the Department of Justice. While the Act and section 326.3 assign certain powers and authority to the department, in actual practice the responsibility for fulfilling the obligations imposed upon the department is delegated to the Bureau of Gambling Control, pursuant to Business and Professions Code section 19810.

to an already authorized organization's Statement of Eligibility to Conduct Remote Caller Bingo.

Subsection (b) would be changed with the insertion of the word "initial" before "authorization" to differentiate between the first request for authorization by the Commission and the subsequent annual updates to report any changes or confirm that there have been no changes from the previous authorization.

Subsection (c) would be changed to refer to "an organization" rather than "any organization," and the word "A" would be inserted before "Statement" in paragraph (1), as purely grammatical changes.

Subsection (d) would be changed to specifically reference the initial statement submitted pursuant to subsection (b) in order to clearly differentiate between the initial and any subsequent submissions of a Statement of Eligibility to Conduct Remote Caller Bingo, BGC-618. Thus, the requirement for approval at a Commission meeting will be applicable only to the initial submission.

UNDERLYING DATA:

Technical, theoretical, or empirical studies or reports relied upon:

No studies or reports were relied upon during the development of these regulations.

BUSINESS IMPACT:

These regulations will not have a significant adverse economic impact on businesses. This initial determination is based on the following facts or evidence/documents/testimony:

The cost to do business is the same, with or without these proposed regulations. Further, these proposed regulations may benefit business by reducing the burden of waiting for Commission approval for information that may not have changed. As a result, this proposed action does not impose any additional requirement upon or require any action by any business. There are no reporting or recordkeeping requirements mandated, nor are there any performance standards imposed, technologies or equipment specified, nor specific actions or procedures prescribed.

SPECIFIC TECHNOLOGIES OR EQUIPMENT:

These regulations do not mandate the use of specific technologies or equipment.

ECONOMIC IMPACT ASSESSMENT/ANALYSIS:

IMPACT ON JOBS/NEW BUSINESSES:

The Commission has determined that this regulatory proposal will not have a significant impact on the creation of new jobs or businesses, the elimination of jobs or existing businesses, or the expansion of businesses in California.

The basis for this determination is that this proposed action imposes no additional mandatory requirement on businesses or individuals. This proposed action simply provides a more efficient process to review annual eligibility submissions for previously authorized organizations.

CONSIDERATION OF ALTERNATIVES:

No reasonable alternative to the regulation would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Set forth below are the alternatives that were considered and the reasons each alternative was rejected:

No reasonable alternative has been considered or otherwise identified and brought to the attention of the Commission.