

1 Title 4. Business Regulations  
2 Division 18. California Gambling Control Commission  
3 Chapter 7. Conditions of Operation for Gambling Establishments

4 Article 3. Minimum Internal Control Standards for Gambling  
5 Establishments (MICS)

6 ~~12384~~ 12388. Extension of Credit, Check Cashing, and Automatic Teller  
7 Machines (ATMs)

8 (a) A licensee may extend credit to a patron if, prior to extending credit to the patron, the  
9 licensee determines that an extension of credit is not prohibited by any statute, law,  
10 regulation, or local ordinance. *A licensee may not extend credit to a gambling  
11 business or third party provider of proposition player services that is banking games  
12 in any establishment owned by the licensee. A licensee may not extend credit to an  
13 employee of the licensee to act as a "house prop player" or "public relations player."*  
14 In addition to complying with all laws regarding the issuance of credit, a licensee that  
15 extends credit to a patron shall address, in *written* policies and procedures *and*  
16 *credit application form(s)*, the following requirements for the ~~extending-extension~~ and  
17 ~~collecting-collection~~ of credit:

18 (1) Establish a method for determining the maximum amount which will be advanced  
19 to a patron, *changes in the credit amount, the maximum time an extension of  
20 credit will be outstanding, and repayment terms.*

21 (2) Prior to extending credit to a patron *for the first time*, ensure that the person  
22 requesting the credit is positively identified by examining the patron's *unexpired  
23 government-issued form of identification evidencing residence and bearing a  
24 photograph of the patron, such as a valid driver's license or passport* ~~another  
25 acceptable method of identification~~. In addition, ensure that one of the following  
26 has been met:

27 (A) *Receipt of patron information on a credit application form which includes the  
28 patron's name and signature, current address, telephone number, social  
29 security number, bank and/or trade references, employment and income  
30 information to form an assessment of the patron's financial situation and  
31 collateral circumstances of the patron.*

32 ~~(A)~~(B) *Receipt of a signed and dated authorization from the patron to access  
33 their consumer credit report from a bona fide credit-reporting agency to show  
34 the patron has an established credit history consistent with approved credit  
35 policies and/or* ~~r~~Receipt of information from a bona fide credit-reporting  
36 agency that the patron has an established credit history consistent with  
37 approved credit policies.

38 ~~(B)~~(C) Examination of records of previous credit transactions with the patron, *if  
39 any*, showing that the patron has paid substantially all credit instruments  
40 and/or otherwise document that it has a reasonable basis for extending the  
41 amount to the patron.

Modifications to Proposed Regulations on Checks/Credit/ATMs; Unclaimed Property

Additions shown in *blue italic*, deletions shown in ~~red-strike-out~~.

- 1 (3) An owner or designated key employee other than a dealer must approve any  
2 credit application.
- 3 (4) *No credit may be extended to any patron who has signed a self-exclusion form or*  
4 *has self-restricted access to credit for the time period of the exclusion or*  
5 *restriction.*
- 6 (5) *Notify the patron of the issuance or denial of credit. The notification for issuing*  
7 *credit shall include the date of issuance, terms of repayment, and interest*  
8 *charges, if applicable. If a patron is denied credit, the notification shall include*  
9 *the justification for denial.*
- 10 (6) *A copy of any consumer credit report obtained by the licensee shall be kept on*  
11 *file with the cardroom and made available to a denied patron upon request.*
- 12 (7) *Include specific instructions for the collection of bad debt, including available*  
13 *actions, self-evaluation, and consistent enforcement.*
- 14 (b) For each patron that is issued credit, the following information shall be collected and  
15 maintained:
- 16 ~~(A)~~(1) Patron's name, current address, ~~and signature~~ *and telephone number*;
- 17 ~~(B)~~(2) A photocopy *of the patron's unexpired government-issued form of*  
18 *identification evidencing residence and bearing a photograph of the patron, of*  
19 ~~picture identification~~, such as a driver's license or passport;
- 20 ~~(C)~~(3) Basis upon which credit verified, as listed in subsection (a)(2);
- 21 ~~(D)~~(4) Documentation of authorization by a person designated by management  
22 to approve credit;
- 23 ~~(E)~~(5) Authorized credit limit *and means of repayment of obligations*; and
- 24 ~~(F)~~(6) Credit balance outstanding and payments.
- 25 (c) If *payment upon* an extension of credit is delinquent for more than 90 days, the  
26 person to whom credit was extended shall be prohibited from obtaining additional  
27 credit until the amount owed is paid in full.
- 28
- 29 (d) No gambling enterprise *shall permit an* employee ~~may-to~~ cash any check if cashing  
30 such a check is prohibited by any statute, regulation, or ordinance. No gambling  
31 enterprise employee *shall be permitted to* ~~may~~ cash any check drawn against any  
32 federal, state, county, or other government fund, including, but not limited to, social  
33 security, unemployment insurance, disability payments, or public assistance  
34 payments, as outlined in Business and Professions Code section 19841, subdivision  
35 (q), unless the check is for wages or the payment of goods or services.
- 36 (e) A licensee who does not deposit a patron's check within three banking days of  
37 receipt shall be considered to have extended credit to that patron.
- 38 (f) A licensee shall not allow a patron to repurchase *an uncashed* ~~a~~ personal check with  
39 a subsequent personal check or checks, unless that patron has been approved for

1 an extension of credit as provided in this Article and the amount of the check to be  
2 replaced is within the patron's credit limit.

3 (g) A licensee that cashes checks for a patron shall address, in *written* policies and  
4 procedures, the following requirements for the cashing of checks:

5 (1) Prior to cashing a check for a patron, the cage cashier shall determine that

6 *(A) The patron presenting the check has not signed a self-exclusion form or self-*  
7 *restricted access to check cashing for the time period of the exclusion or*  
8 *restriction,*

9 ~~(B) *cashing*~~ Cashing such check is not prohibited;

10 *(C) Cashing such check conforms to the licensee's approval process,*

11 *(D) The check is for a specific amount and within the established check amount*  
12 *limit, with the current date, and,*

13 *(E) The check is payable to the gambling establishment.*

14 (2) If personal checks, cashier's checks, or payroll checks are cashed, *the licensee*  
15 *or designated employee shall examine and, if the patron is not approved for*  
16 *credit, record an unexpired government-issued form of identification evidencing*  
17 *residence and bearing a photograph of the patron, such as a driver's license or*  
18 ~~*passport*~~ ~~*the cage cashier shall examine and, if the patron is not approved for*~~  
19 ~~*credit, record at least one item of personal identification, such as a valid driver's*~~  
20 ~~*license number.*~~

21 (3) Records of all returned checks shall be maintained by the *gambling*  
22 ~~*establishment*~~ ~~*accounting department or owner*~~ and shall include, at a minimum,  
23 the following:

24 (A) Date ~~*one*~~ of the check.

25 (B) Name of the customer presenting the check.

26 (C) Amount of the check.

27 (D) Date(s) the check was dishonored.

28 (E) Date(s) and amount(s) of any collection received on the check after being  
29 returned by a bank.

30 (4) If a first-party check is dishonored, the person who proffered the check shall be  
31 prohibited from cashing additional personal checks until the amount owed is paid  
32 in full, but may replace a dishonored check in accordance with the policies of the  
33 licensed gambling establishment. *This does not prohibit a person who presented*  
34 *a dishonored check from a third party or a dishonored two-party check from*  
35 *replacing the check.*

36 (5) *The licensee shall include written procedures for the collection of checks*  
37 *dishonored for non-sufficient funds (NSF), including a point in time that the NSF*  
38 *check will be written off as a bad debt.*

1 (h) If a licensee that cashes checks for a patron charges a check-cashing fee, the  
2 licensee shall obtain and maintain an unexpired California Department of Justice  
3 Check Cashing Permit.

4 (i) Checks accepted or credit instruments completed in accordance with this Article are  
5 valid and enforceable instruments.

6 ~~(h)~~(j) A licensed gambling establishment shall not have an ATM (automatic teller  
7 machine or cash- or voucher- dispensing machine) accessible by an individual while  
8 physically seated at a gaming table, *unless otherwise required under the Americans  
9 with Disabilities Act.*

10 ~~(i)~~(k) ATMs shall be configured to reject Electronic Benefit Transfer cards (EBTs)  
11 issued by the State of California or by any city, county, or city and county therein.

12 Authority cited: Sections 19811, 19823, 19840, 19841(o) and (q), and 19920, Business and Professions  
13 Code.

14 Reference: Sections 19801 and 19920, Business and Professions Code. *Title 4, California Code of  
15 Regulations, sections 12463, 12464.*

17 **Article 4. Accounting and Financial Reporting**

18 **12410. Unclaimed or Abandoned Property**

19 A licensee shall establish *written* policies and procedures which comply with California's  
20 Unclaimed Property Law (Code Civ. Proc., section 1500 et seq.), regarding unclaimed  
21 chips, cash, and cash equivalents left at a gaming table or in ~~inactive~~ *any* player's banks  
22 *deemed inactive by the terms of the licensee's policies and procedures*, uncashed  
23 checks issued by the licensee to a patron, and uncashed checks drawn on a licensee's  
24 account.

25  
26 ~~If California's Unclaimed Property Law (Code Civ. Proc., section 1500 et seq.) does not  
27 apply, then the licensee shall send any unclaimed or abandoned money for deposit into  
28 the Gambling Addiction Program Fund for problem gambling prevention and treatment  
29 services through the Department of Alcohol and Drug Programs, Office of Problem and  
30 Pathological Gambling.~~ Records of the date and amount *of any unclaimed property  
31 sent or reported to the State Controller* ~~sent~~ shall be kept by the licensee.  
32

33  
34 Authority cited: Sections 19811, 19840, 19841(g), (h), and (j), and 19920, Business and Professions  
35 Code.

36 Reference: Sections 19801 and 19841(g), (h), and (j), and 19954, Business and Professions Code.  
37 ~~Section 4369.4, Welfare and Institutions Code.~~ *Title 10, Chapter 7 (Commencing with section  
38 1500), Code of Civil Procedure. Section 14161, Penal Code. Title 2, California Code of  
39 Regulations, Subchapter 8 (commencing with section 1150) (Unclaimed Property Regulations).*  
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